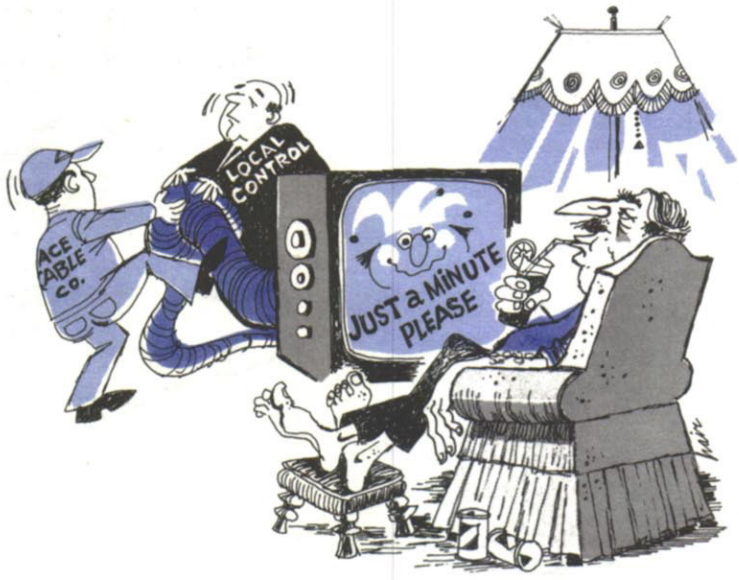
California Journal

THE MONTHLY REPORT OF STATE GOVERNMENT AND POLITICS

Cable TV in California



Most legislators live in Sacramento

The new Department of Health

Tighter lobby controls urged

Reagan on his tax-limit plan

The little cars that can

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Notes and Comment

Rites of passage

Newcomers to the Legislature come in for a bit of kidding the first time they take the floor in their chambers. As their inaugural session advances, there are other benchmarks, such as their first appearances before committees, where they may be subject to some hazing as they push for passage of their first bills.

On one recent day in the Assembly Ways and Means Committee, for example, newcomer Barry Keene of Santa Rosa was greeted by neighboring Assemblyman William Bagley of San Rafael with a cheerful, "Hi, Peachy!", then introduced to the committee as "the abdominable Sonoman". Mike Antonovich's fate was to receive this useful lesson in *real-politik* from Chairman Willie Brown after pushing a bit hard for an immediate vote on his pending bill: "Let me make one thing very clear — perfectly clear, Mr. Antonovich. If we put this to a vote today, your bill will be the McGovern of *this* election." Heeding the advice, Antonovich decided not to force the issue until all his votes were present.

Blue-plate special

Auto registrations are exhausting the Department of Motor Vehicles' 30 million present combinations of six numbers and letters for license plates. The DMV considered two solutions: to reprogram its computer to dig out once-issued license combinations that have been withdrawn for one reason or another, mostly through junking of the automobiles, or to add a seventh figure to the plate. While the first solution might have enabled the state to hold license plates to six places for another decade or so, DMV's computer experts said that it would be cheaper to add a seventh character, even with the necessary retooling required at Folsom Prison, where the plates are made. Since the Legislature decided that reflectorized license plates will save lives, or something, the seven-place plate will be phased in when reflectorizing begins in 1974. At that time, seven-letter words will also become available on the $25 personalized plates. DMV is already tooling up to guard against a new onslaught of kinky and suggestive words, but you've got a year to think up a good one.

Spring's return

Suddenly in March the flower beds flanking the Capitol burst into color, red tulips and golden hyacinth nudging intensely blue pansies, with calendula awaiting surer signs of spring. The damp and cold winter — a one-in-twenty-year weather phenomenon in Sacramento — took its toll of Capitol Park plants. Particularly hard hit was the park's cactus collection near the east end, as well as a number of eucalyptus and pepper trees. These are being watched closedly for signs of life before being struck down and replaced with the same species, since they are part of the park's prized collection of trees and shrubs from every continent of the world.

Incidentally, visitors can obtain free maps with self-guiding tours through the park at the State Police counter in the Capitol.

Tense sex number

If a new state regulation says what it seems to say, the state has adopted as official policy some rather kinky contemporary sexual standards. As evidence, Doug Chandler of the Assembly Office of Research cites a new California Administrative Code regulation adopted by the Department of Consumer Affairs, which reads in full:

> 2102. Tenses, Gender and Number. For the purpose of the rules and regulations contained in this chapter, the present tense includes the past and future tenses, and the future, the present; the masculine gender includes the feminine, and the feminine, the masculine; and the singluar includes the plural, and the plural, the singular.

Help on the way

Last December when a pipe burst on the roof of the State Library and Courts Building, flooding the top floors and doing some water damage to the valuable collection of books and periodicals, concern was expressed for the safety of persons working high in the building, notably by persons working high in the building. These include the staff of the Assembly Office of Research, which had only recently moved out of the historic west wing of the Capitol into the aging between-the-wars courts building. The lack of an emergency exit moved Research Director Bill Hauck to write an urgent memo asking for a fire-safe way out. Hauck had about decided to collect sheets, knot them, and suspend them from his fifth-floor window as a safety measure when the Department of General Services announced that bids will be opened this month for remodeling the building. The work, to be completed by next January, includes construction of a new fire-safe staircase in the existing lightwell. It also is to make room, in parts of the building's shell, for installation of air-conditioning equipment. The equipment, however, is not included.

The State Fire Marshal, who had earlier submitted an extensive report on fire hazards in the old building and recommended these and other changes, reports that nearly every state building has its share of such deficiencies, with the buildings 30-to-40 years old — that is, predating the fire marshal's inspections when they were constructed — being particularly noteworthy. These deficiencies are duly noted, corrective action is outlined, and the state gets around to remedying the problems as time and money permit. A fire can speed things up, of course, as it did recently for the DMV.

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Cable TV's Potential May Never Be Tapped Unless Communities Begin Getting Into the Picture

By JEFF RAIMUNDO

When the character of broadcast television in this country was shaped back in the 1940s, the most important decisions were made in virtual secrecy during discussions between the radio networks, broadcast equipment manufacturers, and the Federal Communications Commission. Congress neither offered nor was asked for its advice, and the public was all but unrepresented. The result was the creation of what former FCC Chairman Newton Minow called in 1961 a "vast wasteland" of redundant and unimaginative mass-appeal programming offered on every commercial television channel in the nation. The American experience with radio has been similar, of course. Nearly every station today offers an uninspiring cycle of news and music — and some have all but dropped the news. Little has come of the experimentation in programming and service carried out in the early years of both radio and television.

Now, it appears, that same fate may befall cable television — often referred to as CATV — even before its true potential is fully perceived by any but a handful of communications technocrats. Some communications experts, including former CBS News President Fred W. Friendly, warn that the same frittering away of the public interest that beset radio and television is happening to cable television. In *Due to Circumstances Beyond Our Control*, he urged coming to grips with the revolutionary technology of cable television before the chance is lost. "If indifference and naivete caused us to give away our electronic inheritance when the industry was in its untested infancy," he writes, "to do so again with the stakes so high would be little short of cultural suicide."

While it might be argued that such pessimism is premature, the record nonetheless shows that most of California's 440 CATV franchises do not measure up to minimum standards laid down last year by the Federal Communications Commission. And, although the FCC has ruled that all systems must conform to those guidelines by March 31, 1977, some argue that the rules are shortsighted and offer insufficient guarantees of the full development of cable television. The only hope, they continue, is for state and local government in partnership with community forces to demand that maximum development. So far, that partnership has not been forged.

Gene Youngblood, a California author and member of a growing number of campus-based media experts, explains that within a mere decade CATV will surpass standard broadcast television in its impact on American society. "Yet," he says, "most of the people of America and the world are absolutely ignorant of it." Indeed, he predicts, broadcast television's impact on society over the past 30 years will pale beside CATV's, if only cable is pushed to its full potential.

Jeff Raimundo is a Sacramento journalist who specializes in reporting on urban questions.

Broadcast versus cable

Consider the impact that broadcast television has had on American society:

- Social ills besetting what Ralph Ellison once called "invisible" America have been bared to all Americans.
- As never before, all Americans have witnessed the daily horrors of a war thousands of miles away.
- Treated to a rich diet of false demands conjured up by ad agencies, Americans have responded by real demands for luxury goods.
- Mass audiences have turned such leisure-time industries as entertainment and spectator sports into big business, and made the United States the most leisure-oriented nation in the world.

And yet, for all that, Youngblood says, CATV will have an even greater impact. "It happens to be the most important tool we have going for social change," he maintains.

Virtually all of human society depends on communications to fulfill its needs. Persons must communicate with their doctors if they wish to remain in good health, with educators if they wish to learn, with government if they want its services, with retailers if they want food and clothing, with their fellow man to open up poverty, old age, injustice — and all the other warts on society's nose — to public view. Thus, if the ultimate in what has become known as "the wired nation" can be achieved through cable communications, says Youngblood, a person's health could be improved; his knowledge could be expanded; government could be made more responsive; more people could become more affluent; and social problems could be attacked more effectively.

While broadcast television is restricted by one-way transmission over only six or eight channels in any one community, cable television potentially can offer 80 and even more channels. This larger capacity goes to the heart of CATV's future because it brings with it the capacity for alternative programs and alternative services. Where broadcast television, radio, movies, and newspapers must appeal to mass audiences, cable television need not. It can serve the small audiences interested in the arts or neighborhood activities. Sys-

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temwide, CATV can provide services needed by only a few — invalids and the elderly, for example. It is in precisely this area — of serving particular audiences— that broadcast television has failed most miserably. And it is here that cable can forge a new concept of communication.

Economy of scale

Yet there are areas where cable television can have an even greater impact. With CATV's greater channel capacity comes an economy of scale that makes it possible to operate on some channels for as little as $50 an hour — a mere fraction of the cost on a broadcast channel. People who never before had access to television's soap box will now be able to make their pitch, with the assistance of cheap, lightweight, easy to operate television equipment. And unprecedented community participation is called for under FCC rules requiring CATV franchises to provided a "public access" channel on a first-come, first-served basis and to make leased time available without discrimination.

CATV's potential for two-way communication (cable entrepreneurs like to call it "interaction") can make cable TV to society what the nervous system is to man. Through cable, monitoring of public health, welfare, and attitudes could reshape the methods of government. Man could be gifted with even more leisure time if he could sit down at a home terminal to do his shopping, attend a class, even work. Newspapers can be transmitted directly into homes and mail out of them. In other words, a television viewer will no longer be limited to merely watching whatever happens to be on the air, but will be able to answer back, even produce his own television show. The capability for all that exists within CATV.

Untapped potential

With few exceptions, however, none of the more than 2,500 cable television systems in the United States has developed much of this potential. Instead, they have merely regurgitated programs they could capture from broadcasters through tall antennas capable of receiving signals from distant stations. There are no two-way systems. Limited-appeal programming, such as a community ballet, is virtually nonexistant. Neighborhood-oriented programs are not available. And special services, such as alarm systems and medical information transmission, are limited to only a few experimental operations. Neither has the public rallied to its own defense. The poor, minorities, counterculture groups, even the majority, have failed to respond substantially to cable television's challenge. The threat is a loss of far greater consequence than that to broadcast television in the 1940s.

Cable technology is advancing rapidly, but the entrenchment of communities in less-than-perfect agreements for cable system development is progressing apace. Barry Head, associate director of Palo Alto's Aspen Program on Communications and Society, writing in the March 1973 issue of *Harper's* observes: "While there is concensus among communications experts that cable offers us a potent new problem-solving instrument, there is also agreement that the tool may never take realizable form. The chances of the experts being proved right increase enormously so long as an uninformed and largely uninterested public considers the question somebody alse's business. The worst error is the assumption that the whole thing will one day be properly resolved in Washington."

Congress, says Head, is as largely uninformed about cable television as is the rest of society. The Federal Communications Commission "has a history of mediation competing industry and government interests rather than one of statesmanlike trusteeship of the public airwaves," he writes. "In addition, the FCC may well be the most understaffed, underfinanced and overpressured agency in Washington. It won't help you in Dubuque." Similarly, the President's Office of Telecommunications Policy, the Cable Television Information Center, Publi-Cable, Inc., and the National Citizens' Committee for Broadcasting have variously shown an inability or general disinterest in representing the public on cable television policy, says Head. "The simple truth is that there is no voice with a broad public constituency to address the all-important questions of uses and programming. You will have to make yourself heard where you live."

State government, on the other hand, is more accessible, Head says, "but few states have taken any interest in cable television. In California, Senator Anthony C. Beilenson, who offered a bill last year to create a state agency to regulate cable television, says that the state has yet to play a role in cable regulation. "The single most important California cable statute presently on the books consists of a blanket authorization to local governments to issue cable franchises," Beilenson notes, though adding, that the federal and local governments have done little more to assure proper guidance. "The Federal Communications Commission declined to assert any jurisdiction over cable until as recently as 1966," he says. "The FCC's

NEW FCC REQUIREMENTS

Under current FCC rules, cable television systems in the nation's 100 largest television market areas, where most Americans live, must by 1977 provide at least 20 channels and offer at least these nonbroadcast services:

- One channel for local programming, usually called "cablecasting," if the system has more than 3,500 subscribers.
- A channel, free for the first five years, made available for the use of local government agencies.
- A channel for educational programming in addition to the "educational" station now on the air in many communities.
- Nondiscriminatory public access to a cable channel, sometimes called a "soapbox" channel because individuals and groups will be allowed to air their views.
- Leased channels for individuals and groups willing to pay for the air time.
- A capacity for two-way service, both from the "head end" and from the home.

In addition, in most of the nation's largest market areas cable operators may offer:

- All locally received over-the-air stations.
- Two channels "imported" from outside the normal viewing area.
- Additional pay television and cable system channels the operator chooses to include.

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CATV OWNERSHIP

Cable television systems can be set up in a variety of ways, including:

- A private commercial operator securing private capital.
- A public agency or agencies using their bonding and taxing authority.
- A private non-profit corporation able to find sufficient capital.
- A partnership involving construction by a public agency and operation by a private commercial firm or non-profit corporation.

latest major cable regulations, adopted in March 1972, were widely acknowledged to be the product of a compromise agreement between the cable and broadcast industries and copyright interests worked out behind closed doors at the White House. The public, needless to add, was not invited to the meeting. At the level of local government, cities in California and around the country have granted cable companies monopoly franchises with virtually no strings attached in consideration for a percentage of the system's gross receipts."

Basic protections

A Capitol aide well informed on cable television development in California concurs. "Cities anxious for new sources of revenue but sadly ignorant of the technical aspects of cable have thrown away 20- and 30-year exclusive franchises — almost with no strings attached — in exchange for a percentage of the subscriber revenues," this source maintains. "Only Sacramento and Davis had the good fortune to be so tardy. Elsewhere, with blank checks in hand, cable promoters have dragged their feet — some cities granted franchises years ago but still do not have operating CATV systems — or wired only lucrative white areas, or transferred franchises in secret."

Most of the contracts now in effect, moreover, lack even the basic protections included in the 1972 FCC rules governing future CATV developments. Other safeguards going beyond those required by the FCC also have not been addressed. Such standards, as compiled by Wisconsin's Cable Commission, include:

- The right of access to operator and franchisor records;
- Nondiscriminatory service (some operators have ignored certain areas of a community because of the expense of tying in that neighborhood or because it showed a low potential for attracting subscribers);
- Nondiscriminatory hiring and training policies;
- Public access and leased channels protected against discrimination and censorship, and the right to reply to views expressed over one of these channels;
- Consumer rights, such as compensation for interruptions or poor service and the establishment of complaint procedures; and
- Privacy against cable tapping and the selling of customer information to other businesses.

If potential for corruption is directly proportional to the amount of money involved, then cable is ripe for such problems, and particularly in California, with its large population and leisure-time orientation. Cable industries' revenues were estimated at over $250 million in 1970, and have grown since then. Yet some studies, such as one by the Rand Corporation, predict that profit margins will drop sharply now that the FCC rules have been issued. Rand's Dr. Walter S. Baer reported last month that cable systems "are unlikely to be rich sources of profits and fees for cities — at least not in this decade." That, despite the bright long-term prospects for cable. "Urban cable systems face a real chicken-and-egg problem," says Baer. "Until new services are developed, cable in the larger cities may not attract enough subscribers to warrant large-scale commercial construction. But until systems are built and large subscriber markets are assembled, new services will not be profitable . . . [resulting in] a slower pace of system construction in the major markets than some previous accounts have projected."

Last big market

Nevertheless, cable companies apparently think their's are good investments. More than 30 firms are seriously courting Sacramento's cable franchise, reports Deputy City Attorney Thomas Haas. Together, the City and County of Sacramento have enlisted consultants to help define the ideal system for Sacramento and to outline some of those public protections people are clamoring for. Haas and other staff members have recognized that cable television is still in its infancy. They have urged city councilmen and county supervisors to wait until the murky CATV situation is clarified. Other factors bear on the Sacramento situation, of course — including an abundance of high quality over-the-air television channels. But the go-slow strategy has already benefited Sacramento by giving it the potential for a more advanced cable system eventually. "We feel the community should seek to have the most technologically advanced system possible," Haas says, "and only if no one is willing to build such a system should anything less be considered."

Sacramento also is blessed with a community that is apparently anxious to assert its influence over the decision-makers. No fewer than three citizens groups — an educational consortium, an alliance of several community organizations, and a minority coalition — have formed to represent their constituents before the city-county CATV study committee. They realize that CATV is one of the last available areas for important gains to be made by minorities in media participation, and Sacramento's franchise is one of the last available major markets not sewn up.

A stirring

Significantly, that realization is growing among minority groups in other California cities. In some areas, in fact, the ethnic minority organizations are the most outspoken and best informed on CATV. For example, a coalition of 15 minority organizations has won an agreement from Atlanta-based Cox Cable to lease a number of channels in that firm's four California systems. The coalition, represented by Public Advocates, Inc., of San Francisco, has been termed "the first step in the creation of a Third World network." (See *California Journal*, December 1972, p. 366). Also in San Francisco, the National Cable Boycott Com-

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How cable television works

Communications by wire is nothing new. Telegraph wires stretched across continents before the men who strung them really knew what they were good for. In Budapest in the 1890's, a wired audio system carried music, market reports, even news. And today, few areas of the world are untouched by the reaches of a telephone wire. Yet, it wasn't until the advent of the coaxial cable, with its fantastic load-carrying, two-way capacity, heavily shielded from outside interference, that picture transmission by wire became a practical possibility.

In 1949, Robert Tarlton, a television salesman and repairman in Lansford, Pa., was having difficulty selling his sets in the mountain community where the reception of Philadelphia stations 65 miles away was, at best, bad. Then he had an idea: he would erect a tall antenna on a nearby peak and run wires to the Lansford homes. It worked, and Tarlton became rich. By 1955, about 400 cable systems in the U.S. served tens of thousands of viewers. And, in 1972, more than 2,500 cable systems delivered television to six million American homes. California, with about 440 cable franchises granted, leads the nation in total CATV households—about 750,000, or more than 10 percent of the state's television audience.

How it works

While CATV originally stood for Community Antenna Television, today it is applied to all forms of cable television. In its simplest form, most common in California systems, CATV relies on a master antenna at a good reception point. At the base of the antenna is a "head end", a control center where the signals broadcast by distant stations are amplified to their original strength and distributed on trunk lines into the community. Every 1,500 to 2,000 feet along the lines, amplifiers rejuvenate the strength of the signal to maintain picture quality. Commonly using existing telephone poles, the cable system feeds directly to homes via drop lines similar to those serving household telephones. More sophisticated systems permit subscribers to select from more than one station on a single channel. They also provide FM radio and some even include a studio for original programming that can be viewed only by cable subscribers.

Eventually, the most sophisticated systems, like El Segundo's, which is being developed by Hughes Aircraft and the TelePrompTer Corp., will rely on computers to provide a variety of "interactive" services such as utility meter reading, police and fire alarms, and stay-at-home shopping. Warren McKenna, a spokesman for the Hughes-TelePrompTer operation calls the El Segundo system "pie-in-the-sky today." Sears Roebuck & Co. and Montgomery Ward already have indicated their interest in providing catalogue-shopping services. Subscribers will be able to purchase tickets to entertainment and sporting events. And, because the system can handle up to 10,000 signals in three seconds, polling services can obtain instant response from subscribers. By the end of the year, the operators hope to have 1,000 homes wired to the system.

Selected subscribers

Because CATV literally wires a community together, it carries within it the capability of serving selected subscribers or neighborhoods individually. Satellite head-end stations can be used to provide for an invalid's special needs or a neighborhood's parochial interests. Residents of Watts, for example, could tune in the Summer Festival on one channel, while nearby Inglewood could view a planning commission session at the same time and on the same channel.

Laws of physics now limit conventional television to 12 channels on the VHF band and only seven channels in any one community. While the Federal Communications Commission once touted UHF as the answer to this limited choice of channels, successful UHF stations are rare. On the other hand, even the most antiquated cable systems operating today can carry up to 12 channels without interference, and systems have been developed to accomodate as many as 80 channels. Some cable experts predict that hundreds of channels will feed into home terminals and only a very few of them will carry anything resembling today's video fare of entertainment and news.

Cable service in California is relatively uniform today, although each system was franchised separately by city or county officials under rights granted by the FCC. San Francisco, for example, charges a monthly service fee of $6.25. This "buys" six channels in San Francisco, one in Oakland, four in Sacramento, one in San Jose, and one in Palo Alto. Santa Monica subscribers can watch seven VHF channels, six UHF stations, and one cable station for $6 per month, but, unlike the San Francisco operation, Santa Monica's doesn't import any signals from outside the Los Angeles area.

Elsewhere, plans are underway for cable system networks that someday will compete against existing networks for the rights to movies, sport events, and other such television fare. Coupled with a potentially lucrative system of pay-television in the home, cable networks could have a substantial impact on leisure industry financing. As an example, one official of a communication firm estimates that, if cable television had been available, an additional 20 million people might have paid 50 cents to watch the Joe Frazier-Muhammed Ali fight. That would have doubled the gate for that event.

mittee is attempting to organize a boycott of all cable systems in the country until the operators open up ownership of their systems to their subscribers.

That, too, is a hotly debated issue. Cable entrepreneurs argue that they alone have the financial and technical capability to operate a cable system. Only privately owned systems, they insist, can assure freedom from total government control. And, they consider the publicly owned systems attempted in the past to have been dismal failures. Supporters of public ownership, however, contend that that scheme ensures the greatest benefit to the public at large, since profits can be plowed back into program development and system improvements.

For all that, however, the fact is that in most of California the issue is all but moot. Not only has near-

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ly every city and county granted their franchises, but few city officials seem inclined to alter existing contracts, and some want to challenge the right of the FCC to abrogate those contracts (which is their view of what the FCC has done in requiring cable systems to meet its newest requirements by March 31, 1977, when most cities have existing franchise agreements that extend into the 1980's or even the 1990's). Yet critics fear that even the five-year grace period granted by the FCC is insufficient to protect the public interest involved in how CATV is handled. If the state is asked to find that it is in the public interest to force immediate compliance with the FCC standards, the cable-television debate could wind up in a new, more public arena — the courts. With this as a possibility, the cities, public-interest groups, state officials, the cable industry, and establishment broadcasters are prepared to pull toward their somewhat divergent ends. Even so, the underlying question is: are they all too late? Again.

Legislative record

Legislative dealing with cable television in California has been sparce and mostly unsuccessful. A 1969 proposal to put cable television under the jurisdiction of the California Public Utilities Commission was easily defeated. CATV measures by Beilenson and Senator Alfred Alquist, chairman of the Senate Public Utilities and Corporations Committee, were sidetracked last year pending interim study. Both Beilenson and Alquist are now redrafting their measures and hope to eliminate some opposition — particularly from the League of California Cities — and to stir up some support. "If we don't get support from somebody, we're dead," one staff member observed, adding that "I'm not sure where it will come from." Both measures will likely provide for a five-member state commission to act as a clearinghouse for CATV information and regulate cable development in the state. Both also would probably prohibit monitoring of cable equipment in the home — the "Big Brother" aspect that frightens so many CATV critics. While Alquist's bill tentatively will adhere to the FCC's guidelines issued last year, Beilenson's would set some more restrictive minimum technical standards for any cable system constructed in California.

A possible key

The FCC's new rules on cable television may provide the key to unlock those deficient franchise contracts. In issuing its ruling, the FCC said that systems already operating will have five years to conform — until March 31, 1977. To meet those standards, many of the franchise ordinances will have to be rewritten. A major element of those agreements is local governments' cut of CATV subscriber fees. Years ago, many California cities negotiated contracts giving themselves eight or 10 percent of cable system revenues. Now, the FCC says, cities and counties can take only three percent of subscriber fees. Thus, in 1977, when the operators come in to ask that the cities comply with this new standard, local governments can demand that public protections be drafted into the contracts.

Waiting for those renegotiations will be the League of California Cities with its newly drafted model franchise ordinance. Confronted with the three percent subscriber-fee limitation, the league proposes that cities consider taxing other sources of cable income, mainly advertising and pay-TV. And some city officials, led by San Diego City Attorney John Witt, are preparing to challenge whether the FCC has the right to dictate what franchise fees a city or county can impose.

While league and municipal officials contend that the model ordinance and the ability of local government will provide sufficient protection of the public interest, others are unconvinced. The league has observed that California has been "thankfully free from the corruption of local officials" that attended some franchise procedures elsewhere, but the potential for corruption is clearly a present danger wherever the financial stakes are so high. In fact, it took a series of grand jury indictments in 1971 to finally get CATV in front page headlines for the first time in many sections of the country. On January 29, 1971, Irving B. Kahn, former president of TelePrompTer, was indicted, and later convicted, for paying three public officials in Johnstown, Pa., $15,000 in 1966 to obtain the cable TV franchise there. The mayor of Johnstown and two councilmen also were indicted. On March 24, 1971, a Trenton, New Jersey, grand jury indicted four Trenton officials for extorting about $50,000 in 1967 and 1968 out of TelePrompTer officials in exchange for the cable system award there. There are other examples.

While direct violations of law probably are infrequent, influence-peddling of other sorts is not uncommon. Political influence, for example, has been successfully applied in many cities when a recognizable local political figure has represented a cable company. As Kahn once put it: "In dealing with any city, you have to go to the guys who know the guys. We're in 88 towns and we have 88 law firms, all politically connected."

It was said...

What a newsman does is a matter between him and his publisher.

. . . by Sacramento radio correspondent Bernice Slater in defense of her seeking the Democratic nomination for lieutenant governor while covering the capitol for a station she and her husband own. (The Joint Rules Committee declined on April 2nd to judge the question of ethics raised by the Capitol Press Association.)

I knew when I decided to go, early in 1971, that it was like a stud poker game. If you were not prepared to go to the last card it really was folly to go the first four.

. . . by Democratic Senator George Moscone on his candidacy for Governor.

That is the one thing about politics I don't like. It is very difficult for me to ask people for money.

. . . by Assembly Speaker Bob Moretti, who has so far raised about $500,000 for a try for Governor in 1974.

That should indicate the sources of this whole damn thing!

. . . by Assemblyman John L. E. Collier in explaining the interest of East European Communist officials he encountered on a recent trip abroad in "the success of the women's lib movement" and, specifically, the Equal Rights Amendment, which California ratified.

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Times Have Changed

Half of Legislators Now Make Sacramento Home

When Assemblyman Bob Monagan quit the Legislature last month to become assistant secretary of the Department of Transportation in Washington, the *Sacramento Bee* noted in passing that Monagan "has his Sacramento house up for sale and is giving up his rented Tracy residence." In other words, Monagan, who represented San Joaquin County, owned a home in the capital and rented quarters back in his district. This living pattern is by no means unique to Monagan, however; nearly half of the state's 120 legislators — 55 by recent counts by two independent, reliable legislative sources — now keep their families with them in Sacramento. And for a simple reason: Sacramento is where they must spend most of their time.

It was not always thus. For years, in fact, the common practice among legislators was to spend most of their time in their districts, where their families and often their principal employment were, and to come alone to the capital during the relatively brief legislative sessions. The same was true of the legislator's mirror image, those representatives of special interests known as lobbyists, most of whom lived in Los Angeles and San Francisco, and considered Sacramento a fine place to do business, when necessary, but no place to live. During the 1960's, however, the legislative season began lengthening as special sessions became a customary device for taking care of the unfinished business of the regular sessions and the Legislature eventually moved to annual unlimited general sessions, lasting through the summer and into the fall.

A rare glimpse

Monagan's resignation provided a glimpse of the basic change in legislative lifestyles that followed, and in a farewell note to his constituents, the former Assembly Speaker succinctly summarized the legislative factors that encouraged it.

"I recall," Monagan wrote, "that the realities of change were just beginning to dawn on those in power when I arrived as the freshman Assemblyman from San Joaquin County in 1961. In those days, the Legislature was operating under the old 'odd-and-even' system: during the odd-numbered years we dealt with legislation; on even-numbered years we met only to consider the budget. At least, that was how the system was supposed to operate. In fact, this neat division of time and labor had long since become an anachronism. The urgent problems of a large and diverse state did not arise in conformity with a constitutionally controlled schedule.

"The Legislature was weak in several other respects, as well. First of all, it demanded a full-time effort from members for part-time compensation. That effectively excluded the average citizen from public office. Only persons who could arrange to support themselves and their families without devoting much time to their business, profession, or job in the private sector were economically eligible to serve. Another weakness was inadequate staff and physical accommodations. In the recent past, all secretarial help had been seasonal; the desk they assigned you on the floor had to serve as your office; the idea of professional committee staff was almost unheard of . . . .

"Jess Unruh was just reaching the peak of his power when I arrived in Sacramento . . .. During the long and highly controversial Unruh reign as Speaker, the Legislature — especially the Assembly — built a competent professional staff and gave up its preoccupation with the *status quo*. And in 1966 Californians voted to give up the old 'odd-and-even' system in favor of annual sessions, and to open up the opportunity of serving in the Legislature to all citizens by providing full-time compensation."

The district-home myth

The voters' approval last November of two-year sessions, similar to those of Congress, may be expected to encourage more members of the Assembly and Senate to follow Monagan's example and sink semi-permanent roots in Sacramento while maintaining their required voter registration in their districts. And yet, despite compelling reasons for settling in Sacramento as full-time legislators, many Assemblymen and Senators tacitly maintain the myth that they actually live in the distant district they represent. As an indication of the political sensitivity of this question of residency, it can be noted that both the Assembly and Senate Rules Committees contend that they maintain no roster of the local addresses of their members, and referred our inquiries on the subject to the 120 individual legislators.

The concern, apparently, is that an opponent might seize upon the question to play upon popular notions of the law governing legislators' residences and rights to living expenses, presently $30 per day tax-free, while attending a legislative session. And few elections are, in fact, without at least one example to feed such nervousness. Still, state law is flexible enough to accommodate a variety of legislative living habits. On residency, the relevant language appears in Article 244 (a) of the Political Code, which defines "place of residence" as, among other things, "the place where one remains when not called elsewhere for labor or other special or temporary purpose, and to which he returns in seasons of

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repose." For California legislators, however, there have been fewer and shorter "seasons of repose" since 1966, and with the continuous sessions now in effect, the term has become practically synonymous with "out of office."

As for living expenses, Section 8902 of the Government Code, which was added in 1966, the same year that the voters granted legislators a full-time salary and provided for annual sessions, reads as follows: "During such times as a member of the Legislature is required to be in Sacramento to attend a session of the Legislature and during such times as a member is traveling to and from, or is in attendance at, any meeting of a committee of which he is a member or is attending to any other legislative function or responsibility as authorized or directed by the rules of the house of which he is a member, or by the joint rules, he shall be entitled to reimbursement of his living expenses at the same rate as may be established by the State Board of Control for other elected state offices." To qualify for this *per diem* allowance, according to an Attorney General's opinion, a legislator must answer the day's first rollcall as proof of attendance, and incur some expenses, which can be merely mileage or a meal.

Deciding factors

In any case, the law is on the side of the legislator, apparently, so that the decision whether to have one's family in Sacramento or in Los Angeles, say, depends not only upon personal and family preferences but upon a number of factors, as well. Among the factors a legislator may consider in deciding where his family will live are the political stability of his or her district, its distance from Sacramento, and the devices available for keeping in touch with the voters. These factors are particularly important for legislators, male or female, who do not have spouses or children to take into consideration, but they are also important to those with families.

The weight they are given varies, however, from family to family. "If you have small children and want to have a life for your family," one legislator's wife explained, "you quickly find out that the commuting husband and father is still an absent husband or father because when he comes home to the district at the end of a week he's still got political rounds to make, and these can keep him going from dawn to midnight, leaving precious little time for rest, let alone family living. So, after a few years of this, you figure why not move closer and have the family together all week and let the husband visit the district as necessary."

New rules, new game

This intrusion of family life in the capital has had its effect on the manner in which work, as well as family life, is conducted. Even into the 1960's, lobbyists and legislators were more or less thrown upon one another for after-hours companionship. Between the card games and drinks in hotel suites, and dinner at Frank Fat's and Posey's, a lot of legislative transactions took place in a very special world only hazily perceived, if suspected at all, by the general public. But now, with a wife and, worse yet, children in tow, a legislator is sure to be less available, and the old-boy world of Sacramento politics has begun to disintegrate.

Annual sessions and full-time legislators who lived with their families in Sacramento have been followed, not surprisingly, by full-time lobbyists and full-time correspondents who also live with their families in Sacramento. A veteran advocate recalls that the most dramatic change in the lobbyist-legislator relationship came in 1967 with the first of the annual sessions. "This was the end of the hotel life in common, and many of the principal advocates in L.A. and San Francisco moved into Sacramento year-round." Before 1967, he continued, a lot of business was conducted at night, since everyone was available, had to eat out anyway, and was generally looking for companionship. "But after 1967, with wives and families here, it got harder to get together evenings. Things pretty much switched to a more regular nine-to-five operation. It's just not the stag operation it used to be."

The world of PALS

The lobbyists and the legislators are in somewhat the same boat socially — rather isolated from Sacramento's native social life by the tentative nature of their residency. Because of the social estrangement of semi-permanent capital living, a group of legislators' wives formed a sorority of sorts some 50 years ago and called it the Protective Association of Lost Souls, though the organization is more commonly known by its acronym, PALS. The wives of legislators are automatically life members. Originally, PALS was purely a social club whose members met periodically at restaurants — necessarily so, since before the 1960's most of the capital wives lived in hotels. With younger couples, not to mention families, now compromising a larger proportion of the legislative contingent, PALS' function is undergoing some transformation, according to Dolores Beilenson, past president of PALS. "The new kind of wife is the kind that doesn't want to just sit," she explains. Consequently, half of the meetings are devoted to such projects as entertaining the elderly and raising funds for charity.

But PALS still maintains its original function of easing the transition from private life to the legislative life peculiar to Sacramento. This year, PALS President June Stiern helped coordinate an orientation session for wives of freshman legislators as part of a familiarization program for their husbands. Besides hearing what makes state government tick, the wives were given a preview by Speaker Bob Moretti of the kinds of things that may transform a legislative husband's gentleness into petulance. "Just remember that it's not just your husband who's that way at the end of the day here," one wife recalls Moretti as concluding. "It's everybody."

Campaigns are trying

Of all the times of trial in the legislative lifestyle, campaigning is the most trying. "There's emotional stress everywhere," this wife recalls. "There's lots of abuse and mud-slinging, and naturally the kids pick it up at school — racial and religious smears — terrible things. Then, at the tail end of the campaign you're away from home more than not. Rest is impossible. The pressure builds. But if you survive," she concludes, "the family loyalty and unity that comes out of this is really great."

It may be, she concedes, that the new two-year legislative calendar, with its scheduled recesses, will inject a degree of regularity into this hectic way of life. "If they follow it, this will be the first time we've been able to *plan* a vacation with the kids. But I won't believe it until I see it, no matter what they say!"

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Massive New Department of Health, Reagan Administration's Most Ambitious Reorganization Plan, to Become Operational July 1st.

In less than three months, three large state departments will pass from the scene — the Departments of Public Health, Mental Hygiene, and Health Care Services. Their thousands of employees will not be suddenly thrown out of work, however, nor will their functions cease to be performed. Rather, their employees and programs will be consolidated into a single new department, surpassed in size as a unit of state government only by the University of California and the California State University and Colleges, and carrying out a massive reorganization first proposed six years ago by Legislative Analyst A. Alan Post.

The new department, to be titled simply the Department of Health, will have an initial budget of $2.6 billion in state and federal funds ($947 million from the state alone) and 21,000 employees spread among 96 programs, sections, and systems. The director of the new department will be James M. Stubblebine, who has served since July 1971 as Director of Mental Hygiene, a post to which he was appointed by Governor Reagan. Stubblebine, a psychiatrist by profession, has served as chief of psychiatry at San Francisco General Hospital and as head of community mental health services with the San Francisco Department of Public Health.

The department will be one of six units grouped within the Health and Welfare Agency, which is now headed by Earl Brian Jr., formerly director of the Department of Health Care Services, which administers Medi-Cal. Brian, a strong and aggressive administrator, is likely to exercise considerable direct authority over the policy management of the new department, but it is only one element in the agency-wide reorganization plan that he is developing and carrying out with characteristic determination. Next to be merged are the Departments of Human Resources Development and Rehabilitation (to form a new Department of Manpower) and the Departments of Corrections and Youth Authority (to become the Department of Correctional Services). Then, Brian hopes to consolidate all of the agency's fiscal functions into a new Department of Benefit Payments that will be responsible for the annual disbursement of some $5 billion in health and welfare benefits. When the reorganization is complete, the agency's original eight departments and 117 boards and commissions are to have been consolidated into four departments and 61 boards and commissions.

Genesis of the reorganization plan

What the Assembly Committee on Government Organization once called "the most extensive and best researched reorganization plan" ever proposed for the state grew out of continuing dissatisfaction in the 1960's with the way in which the state was organized to provide various health services. The first strong impetus for a thorough restructuring came in 1967, however, with publication of a 60-page report by the Legislative Analyst entitled *Availability and Cost of Health and Medical Care in California.* The principal theme of this report was that while the Legislature had increased state participation in the cost of medical care with enactment of Medi-Cal, the state had failed to establish an effective health delivery system to channel state and federal funds into areas of predetermined priority. Instead, management for individual health programs was scattered among many departments. For example, the Analyst pointed out, the Department of Mental Hygiene operated the four state hospitals for the mentally retarded and funded county mental retardation programs with Short-Doyle aid, but the Department of Rehabilitation also funded state mental hospital programs, the Department of Public Health operated several regional diagnostic centers, the Department of Education administered state day-care centers for children, and the Department of Social Welfare provided care for the mentally retarded under community placement programs. According to the Analyst, this sort of fragmentation not only resulted in duplication of services and increased administrative costs, but also got in the way of comprehensive care for the individuals needing those services.

To reduce this fragmentation and duplication, Post recommended creation of a single health care agency to administer all the existing programs, of which his report identified 50 that were administered by 15 different units of state government. The idea was picked up the following year by Assemblyman Gordon Duffy's Committee on Public Health, which published a report entitled *Department of Health: A Preliminary Proposal.* Bringing the Analyst's figures up to date, the committee report dealt primarily with the functions of the Departments of Health Care Services, Mental Hygiene, and Public Health, which, it said, spent $1.4 billion of the $1.8 billion total outlay for health programs. The programs and activities of the three departments, the committee said, had grown in response to immediate needs and pressures rather than according to a general plan as to the role of the state in this area and the best system of delivering essential services. Agreeing with Post's findings, the committee report noted that the result was not just substantial duplication and overlap of functions but also serious gaps in important services. "At this point," the committee concluded, "the question is not whether we

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should reorganize the health care departments, but rather what form the reorganization should take."

"As a starting point for discussion", the committee recommended coordination of the three departments and consolidation of certain of their activities under a new assistant secretary for health in the Human Relations Agency (the predecessor of the present Health and Welfare Agency). This was to serve as a transition to a single Department of Health, which the committee saw as the ultimate goal of reorganization.

First task force

In November 1968, shortly before the Assembly committee's report was published, Spencer Williams, the Governor's secretary in charge of the Human Relations Agency, appointed the first of a series of task forces that over the next 14 months would develop the administration's reorganization plan. This first task force, made up of representatives from the three departments plus several individuals representing the health professions, was directed to "conduct a broad overview examination to determine whether there appears to be sufficient merit to the suggestion [for a single department] to warrant further detailed study." In less than two months, this first task force submitted its report, in which it acknowledged that "a person seeking socially provided health services is confronted with a confusing array of public and voluntary agencies" and that, "in all too many instances, coordination is left up to the consumer." Nevertheless, the task force did not recommend consolidation of the three departments, but instead proposed several steps to improve coordination and resource allocation on a priority basis.

Three months later in March of 1969, however, a second task force was assembled by Williams and charged with responsibility for examining "programs related to mental retardation, alcoholism, research, and licensing (four areas identified in earlier studies as particular problem areas) and to determine whether their problems could be resolved within the current department structure or whether to proceed toward a major reorganization." This second task force was subdivided into four study groups, each assigned one of the problem areas. The study groups were made up of three or four state officials and one independent consultant, who served as chairman, and the four consultants, plus one other outside consultant, made up a fifth group which provided overall guidance for the effort and became known as the Consultants' Task Force to Recommend Organizational Improvements in State Health Programs. Its members were Dr. Alexander Cloner of the University of Southern California's School of Public Administration; Charles B. Broadway and Larry C. Klein, systems experts with Autonetics, a private firm; Jack W. Kirkpatrick, representing the California Hospital Association; and William Kenneth Norris, a lobbyist for several health professions organizations.

Each of the study groups subsequently issued a report of its findings and recommendations, as did the Consultants' Task Force, and there proved to be a considerable difference between the findings of the study groups, which were dominated by state officials from the departments under study, and those of the outside consultants. The study groups, which conducted the most exhaustive examinations of health care problems in California that have ever been made, found much to criticize in each of their areas, but recommended that they be overcome either by strengthened interdepartmental cooperation or by creation of special agency project staffs to develop and implement interdepartmental systems where needed. The Consultants' Task Force, in a report issued in May of 1969, acknowledged that none of the study groups had recommended consolidation of the three departments but argued that this was the only way to overcome the problems of fragmentation and proliferation of programs that the study groups had identified. The alternatives, the consultants said, were to set up a whole series of new departments, one for each major program area, which would only add to fragmentation, or to establish program coordinators at the agency level, which would involve the agency too deeply in day-to-day department operation. Saying they preferred "the comprehensive approach rather than a piecemeal strategy", the consultants accordingly endorsed creation of a single Department of Health.

Third task force

Thus, Williams had the advice he has asked for, and in July 1969 he appointed a third task force of seven members to consider organizational alternatives for the new department and to recommend a general structure for reorganization. In carrying out its charge, this third group went over much of the same ground covered by earlier legislative and task force studies, but eventually came up with a rough organizational design for the new department and a long list of benefits to be derived from consolidating existing departments. This report, which was completed early in 1970, was then submitted to the Commission on California State Government and Economy, better known as the Little Hoover Commission, for its review and recommendation.

On January 28, 1970, the Little Hoover Commission held a marathon public hearing on the reorganization proposal, at which it received testimony from more than two dozen interest groups. Although several of those who testified complained of the way in which the proposal had been formulated and the fact that they had not been consulted by the task forces, the majority expressed support for the general idea of setting up a single department and quarreled primarily with the way in which it was to be carried out. Of particular concern were the composition of a proposed 19-member Advisory Health Council and the details of the new department structure that were yet to be decided upon. The California Hospital Association and the California Nurses Association, for example, endorsed the basic idea but reserved judgment on the details of internal organization. The California Conference of Local Health Officers also endorsed the reorganization but recommended that a local health unit be created to integrate various local health responsibilities. The California Medical Association proposed a reorganization plan of its own, which, although similar to the task force proposal in many respects, would have given the new unit agency (and cabinet) status rather than departmental status. The CMA also expressed doubt that a single advisory body would be sufficient to deal effectively with the broad range of issues and problems that would confront the new department, and recommended that the reorganization be delayed until these and other matters could be studied further.

Others charged that the new department would be an "unmanageable colossus." Perhaps the strongest

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reaction came, however, from the California chapter of the National Association of Social Workers, which objected to what it termed a "meaningless dismembering" of the Department of Social Welfare — the plan called for the transfer of that department's social service functions to the new Department of Health — a "political ploy" that would result in "local chaos".

Legislature gets plan

At its next meeting, on February 16th, the Little Hoover Commission reviewed the objections that had been raised, but approved the proposal as submitted, with only one exception, the proposed consolidation of existing health boards and councils into a single advisory council it said, should be delayed for further consideration. With this general endorsement, Governor Reagan promptly submitted the proposal to the Legislature as Reorganization Plan No. 1 of 1970. (Under legislation then in effect, but allowed to lapse in 1971, the Governor was permitted to submit administrative reorganization plans to the Legislature that would go into effect unless formally disapproved by either house within 60 days — see *California Journal*, October 1971, p. 277-78.) And in early March, Reagan followed up with a special "Health Reorganization Message", in which he told how the plan had been formulated, cited numerous facts and figures in its support, and urged quick consideration and approval by both houses of the Legislature so that the plan could go into effect by July 1, 1971, as planned.

The plan went first to the Assembly Committee on Government Organization, which set up a special subcommitee on Efficiency and Cost Control to hold hearings on the proposal. The subcommittee's hearings proved to be much like the Little Hoover Commission's hearing, with opponents of the plan continuing to express dissatisfaction with the amount of study that had gone into the plan, fear that centralization would result in a less effective health services delivery system, and doubt that promised cost savings would actually be achieved — in sum, that there were too many unsupported benefits claimed, too many organizational questions, and too much opposition to warrant approval of the plan without further study. The subcommittee nevertheless issued a report on August 4th recommending that the Assembly take no action, thus allowing the plan to go into effect. The report acknowledged the lack of supporting arguments for some features of the plan, but concluded that with proper administration the new department might indeed provide more efficient delivery of health services. The subcommittee did recommend, however, that the proposed transfer of social-service functions from the Department of Social Welfare and consolidation of existing health boards and councils be delayed one year.

On the Senate side, the plan received little attention from the Senate Rules Committee, to which it had been assigned, until Senate Democrats, who charged that the plan was too sketchy and vague to be approved as submitted, forced the measure out of committee and onto the floor for a full-scale debate. The administration was able to defeat Democratic efforts to kill the plan, but during the hearings and debate it became evident that the plan could not be put into effect in 1971, and Governor Reagan agreed to seek legislative approval to postpone implementation until July 1, 1972. Accordingly, a second measure to accomplish this delay was passed following approval of the plan itself.

Plan revised

As it turned out, the Governor had to go back to the Legislature again in 1972 and ask for an additional one-year extension, for detailed planning for the new department had produced an organizational structure that was considerably different from that proposed by the third task force and approved by the Legislature.

Divisions of the New Department of Health

The new Department of Health is to be organized into five divisions as it becomes fully operative on July 1st. These divisions are:

1. Health treatment systems. This division will include nearly all the principal functions and programs of the former Department of Mental Hygiene, including administration of the state hospitals for the mentally ill and the mentally retarded, the development disabilities program, drug abuse programs, and financial support for and evaluation of the state community mental health programs. This area is budgeted at $498.3 million with 17,464 positions. Director unfilled.

2. Health financing systems. The function of this division will be to distribute benefit payments and claims under state and local (reimbursed) treatment The primary responsibility will be for administration of Medi-Cal payments and Crippled Childrens' Services. Total expenditures are budgeted at $1.7 billion for 1973-74 with 1,049 positions. Presumably, some of this division will subsequently be transferred to the proposed new Department of Benefit Payments, which is to take over all payment programs within the Health and Welfare Agency. Director: Jerry Green.

3. Health protection systems. This division is to operate the department's preventive health, laboratory service, environmental protection, and social service programs, incorporating most of the functions of the old Department of Public Health, plus the social services administered by the former Department of Social Welfare (which is to become the Department of Benefit Payments). The total budget for this division is $425.6 million, with a staff of 863 positions. Director: unfilled.

4. Health quality systems. This division will be responsible for the department's licensing, planning, research, and evaluation programs. Among the specific functions, which have been drawn from several departments, are: facilities licensing and certification, facilities planning and construction, laboratory licensing and certification, social service quality control, and Medi-Cal provider review. Its budget is to be $27.6 million for 659 positions. Director: James Walker.

5. Health administrative system. This division is to provide the administrative staff support necessary for the operational supervision of the four main line programs, including fiscal and budgetary control, personnel, training, and data processing. It is budgeted to receive $17.2 million for 1,091 positions. Director. John Haggerty.

In addition, the office of the director will provide general policy supervision, communications, and liaison with the public, interest groups, and the Legislature.

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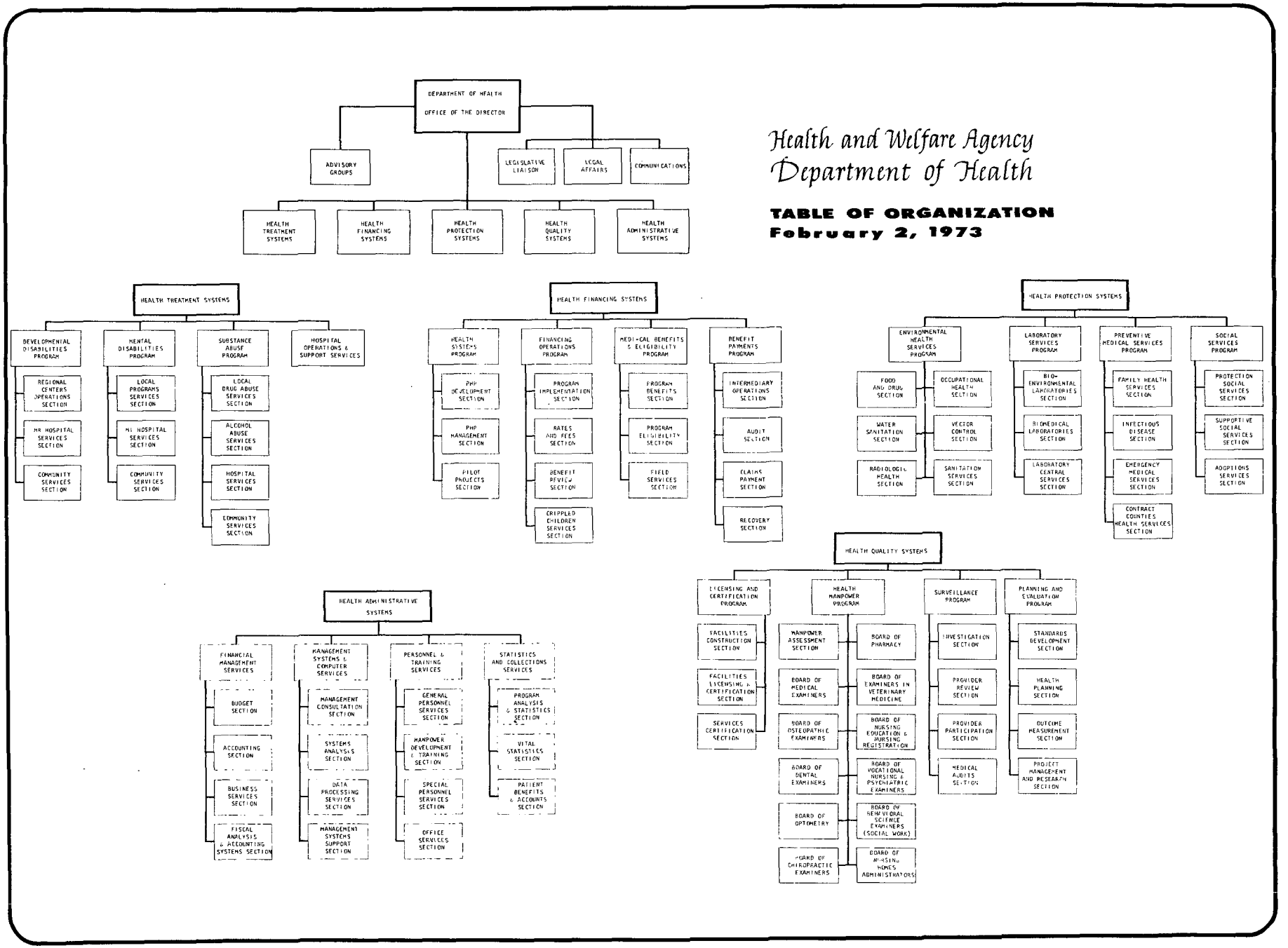

Health and Welfare Agency
Department of Health

TABLE OF ORGANIZATION
February 2, 1973

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This planning was the work of a Reorganization Committee established in September 1971 and made up of the directors of the three departments being consolidated, plus James Hall, who had replaced Spencer Williams as Secretary of the Human Relations Agency. The committee itself played a major role in directing the planning, but it relied heavily upon advice from the Rand Corporation and departmental staffs working through two subcommittees, one for program and one for administration, made up of the chief deputy directors of the three departments, and supported by eight subunits assigned to specific elements of the consolidation plan. These subunits were disbanded in January of 1972, however, because they were believed to be pushing too quickly into organizational detail, getting ahead of the Reorganization Committee's conceptual planning. As a result, it was not until October that the reorganization plan was completed and announced by Earl Brian, who in July had replaced Hall as agency secretary.

The new plan called for the subdivision of the consolicated department into five divisions: health treatment systems; health financing systems; health protection systems; health quality systems; and health administrative systems (see box). It also continued to call for a significant consolidation of the various advisory councils that are made up in large part of representatives or the organized interest groups.

In October, with the major features of the plan decided upon, the committee was disbanded and an Office of Health Planning established to carry out the new plan. Under the direction of Stubblebine, who was appointed director of this office, and agency secretary Brian, a series of interdepartmental committees was formed to negotiate the final deails of consolidation. These committees presented their reports to the Office of Health Planning in December, and, on January 10, 1973, the public and many departmental employees were given their first look at the new structure in some detail. Additional staff briefings were held later in January, but these were primarily for the purpose of acquainting lower-level employees with the details of the plan; only minor modifications were made after January, and, in March, the new department began to become operative through a series of phased consolidations which are to be completed by July 1st.

Staff cuts

It has been announced that 1,000 of the department's 21,000 jobs will be eliminated over the next two years. The cuts are to come from "middle management", according to Stubblebine, and are to be accomplished by attrition (leaving jobs unfilled as they become vacant) rather than by layoffs. Not surprisingly, however, the California State Employees Association has attacked the reorganization timetable, and has charged Stubblebine with failing "to give any information on the cost of the reorganization or how the employees involved in the transfers will be affected." Criticism has also come from San Francisco Bay Area legislators who oppose the administration's plan to transfer Department of Public Health personnel and offices from Berkeley, where they have been located for many years, to Sacramento, as part of the consolidation. This move has been scheduled to take place by May 1st, but Assemblyman Ken Meade of Oakland has said that he believes the move may be illegal because there is no money in the 1972-73 budget for such a move, Meade reported in March that his law partner is researching the matter in preparation for seeking an injunction to stop the move. If it can be held up until the end of this fiscal year, legislative opponents intend to see that the 1973-74 budget specifically prohibits any expenditure for the transfer.

However this issue is resolved, it is clear that the long-discussed, massive new Department of Health will soon become a reality. Then, it will be up to Brian and Stubblebine to prove that the new structure will indeed provide a more efficient and effective system for providing essential health services to the citizens of the state. The outgoing president of the State Board of Health has charged that Brian has been acting as a "czar of health" and that he has created "a monster department" that will be unresponsive to the public. Whether this view reflects an unwillingness to accept necessary change or an accurate assessment of the new department remains to be seen.

Reagan Pushes Tax Ceiling Initiative

When Governor Ronald Reagan made public in February his plan to place a constitutional ceiling on future state tax revenues (see *California Journal*, March 1973, p. 80), he made it clear he would take his plan to the people as an initiative if the Legislature refused to put it on the ballot. By mid-March, even before he had submitted his proposed constitutional amendment to the Legislature, it was evident that Reagan had already begun to plan an initiative drive, convinced that he would not get the necessary cooperation from Democrats in the Assembly and Senate. Assembly Speaker Bob Moretti and other Democratic leaders had wasted little time in attacking the plan, which Moretti said is primarily a device to help Reagan as a presidential candidate in 1976.

Then, on March 23rd, the Governor announced that he would launch an initiative campaign at once, rather than waiting any longer to see what could be accomplished by way of the legislative process. Although he indicated that he would go ahead with a plan to introduce a constitutional amendment in the Senate as SCA 12 (Lagomarsino), he said he would begin the initiative campaign simultaneously because he is convinced that there is no prospect for success in the Legislature. The initiative campaign is to be undertaken by a group calling itself Californians for Lower Taxes and headed by Dr. Norman Topping, president emeritus of the University of Southern California, who last year headed a citizens group in opposition to Proposition 14, the Watson Initiative, which would have set a ceiling on local property taxes. To get his constitutional amendment on the ballot as an initiative, the Governor will need 520,806 signatures, but there is little question that he will be able to meet this goal by June so as to hold a special election in November.

The initiative measure itself provides that the cost of a special election will be met by the state, a provision that the Governor and Speaker Moretti agree is required under the terms of SB 90 of 1972, which requires the state to pay the full cost of all state-mandated local services. Moretti has said, however, that he will try to block any appropriation of state funds for this purpose, arguing that he sees no reason not to wait to put the measure on the regular primary ballot in June 1974. Reagan described this response as "cheap vindictiveness" and said he will go ahead with his plan for a special election in the fall anyway.

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Ambitious Plans to Tighten Control of Lobbying Must Counter Legislature's Disinterest in Doing So

Each year, the Joint Legislative Committee on Rules publishes a hefty volume of documents — 8,505 of them this year — and distributes copies to the members of the Legislature, the State Library, and anyone else who requests it. This publication now fills two volumes 3½ inches thick and weighing 10 pounds in the edition just out, and it reproduces in miniature monthly expense reports and the registration forms filed in 1971 by the more than 600 advocates registered to lobby the Legislature.

The annual publication of these two-year-old documents fulfills a legal requirement imposed in 1950 when the California Legislature passed the present lobby-control legislation in the wake of a series of articles published by *Collier's* magazine, entitled "The Secret Boss of California" (see *California Journal*, August 1972, p. 212). But the compilation, weighty as it is, ignores the answer to the most obvious question, from a public-interest viewpoint, namely: on which legislators was how much money spent on behalf of which piece of legislation? Even without such obviously useful information, it is possible that the present reports could be analyzed to yield, say, how much money was devoted to influence legislation in certain general categories — timber resources, for example, or health care, or highways, construction generally, horse racing, public utilities, banks, insurance companies, trial lawyers. A staff proposal to do even that modest amount of analysis, however, was summarily rejected as being "too politically sensitive". As a result, this costly publication merely assures preservation of these unenlightening documents beyond the two years that the committee maintains the originals.

Tilting at windmills?

With that kind of record on such a modest proposal aimed at bringing further into the open the tactics and treasure used to influence legislation, two current attempts at far-reaching reform must be conceded little chance of passage. The first attempt, being made by Secretary of State Edmund G. Brown, Jr., was introduced by freshman Assemblyman Raymond Gonzales, who assumed instant fame, or notoriety, by expressing wonderment in a post-election interview in the *Los Angeles Times* at the lobbyist largesse that was suddenly his by virtue of an unexpected electoral success. The Brown-Gonzales measure, AB 786, is the most extensive lobby-control measure put before the California Legislature since the substance of the present law was enacted in 1950. It may be joined before long by an even more complex and detailed proposal being assembled by the People's Lobby, which signals its pessimism toward chances of its getting serious legislative consideration by labelling the draft an initiative.

Present requirements

As now written, the law requires anyone hired to influence legislation to register with the Joint Legislative Committee on Rules. This is done by submitting a letter from each client or employer verifying that the applicant is authorized to represent its interests before the Legislature, along with a photograph of the applying "legislative advocate" (as lobbyists are referred to in California law, "lobbyist" retaining a somewhat unsavory taint). The names and pictures of all registered lobbyists, together with the names of the interests they represent, are published in an annual directory, which is available from the committee.

Each month, these registered lobbyists submit expense sheets accounting for all sums spent exceeding $25. This includes office costs and salaries as well as such expense-account items as entertaining legislators, state officials, and their staffs, and even providing medical service in the case of a California Medical Association lobbyist, (though without naming names and only rarely specifying places and dates). These monthly reports also include a brief statement as to what legislation the funds were spent to influence, a requirement generally met with a phrase like "legislation affecting general insurance", any bills that affect water-borne commerce," and "all legislation pertaining to manufacturing," but sometimes detailing a position for or against specific bills. Lobbyists themselves concede that this information is of little value, and capitol news correspondents find little of substance there, aside from occasionally noting, for whatever value, that the lobbying corps now spends more than $1 million a year — and even that figure has tended to lose impact in recent years.

AB 786 (Gonzales)

The most fundamental change embodied in Assemblyman Gonzales' bill would be to remove control responsibilities from the Legislature and place them in the office of the Secretary of State. Before Edmund Brown Jr. won election to that office in 1970, that might have seemed as fine a place as any for burying such information, but Brown has demonstrated political success in forcing compliance with existing campaign-expense reporting laws, partly by publicizing their breach, but also by initiating lawsuits. Now Brown has picked up the lobby-control issue, and as a likely contender for Governor in 1974 he can be expected to take it as far as he can.

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AB 786 rewrites state law affecting lobbyists. It modifies even the present legal definition of legislative advocate, which is "any person who shall engage himself for pay or for any consideration for the purpose of attempting to influence the passage or defeat . . . or the approval or veto of any legislation." Under AB 786, as introduced, a legislative advocate is defined as being "any person who is employed or contracts to influence legislation, whether directly or through any other person." It further specifies that "a person is deemed to be so employed or so contracting if a substantial or regular portion of his activities pursuant to his employment or contract is for the purpose of influencing legislation."

The measure also requires a legislative advocate to list all accounts and trusts that he uses for collecting and disbursing lobbying funds, forbids lobbyists from making contributions or gifts to candidates, or to act as go-betweens for clients wishing to make contributions. As for wining and dining, all such expenses are to be paid from funds withdrawn from an account set up expressly for that purpose and listed as such with the Secretary of State. All transactions concerning this account are to be reported monthly when the Legislature is in session and quarterly when it is not.

The reports are to show all amounts expended, "together with the full name and full address of the payee, a specific description of the consideration for which the disbursement was made, and the date on which the consideration was received, and in the case of disbursements for gifts of authorized food and beverages . . . the full names of the person who received the food and beverages, the amount charged, and a specific description of any legislation which was discussed, including bill numbers . . . ." These reports would be audited by the Franchise Tax Board, and a violation of the law would constitute a misdemeanor and entail suspension from lobbying activities for three years. Unlawful gifts or contributions would be penalized by fines.

People's Lobby proposal

The proposal being developed by the People's Lobby at this point fills nine densely printed legal-size pages, and includes detailed provisions dealing with campaign contributions as well as reporting procedures. Much of the text of the draft is lifted from a lobby-control initiative that voters in the State of Washington passed by a 3-to-1 margin (parts of which are now being challenged in court), and the backers of the California version expect to launch an initiative campaign next fall to qualify the measure for the June 1974 ballot. Pending this, the People's Lobby may support AB 786, but it is not yet known whether its own proposal will even be submitted to the Legislature, in what is regarded as probably a futile gesture.

At the outset, the present draft restores the term "lobbying" to good legal standing. "Lobby" and "lobbying" are defined simply as meaning "attempting to influence the passage or defeat of any legislation by the Legislature of the State of California, or the adoption or rejection of any rule, standard, rate, or other legislative enactment of any state agency . . . ." Those who do so without pay are later exempted, which brings the definition closer to present law.

The proposal would require those lobbyists who must register to file weekly expense reports during the session covering all expenses exceeding $15. While the increase in paperwork would obviously be substantial, the results would be more fruitful than at present, since these reports would include the names of recipients. The measure also breaks new ground in addressing advocacy at the citizen end, what the proposal calls "grass roots lobbying campaigns".

The People's Lobby proposal, like AB 786, removes regulatory responsibility from the Legislature but, rather than shift it to the Secretary of State, it would create a new Public Disclosure Commission to assume this burden, and its members would be elected by district as are the members of the California Board of Equalization. The four popularly elected commissioners would select a fifth commissioner.

Other proposals

As the Legislature's first two-year session gets underway, two measures more modestly affecting lobbying practices have been introduced. AB 591 (Sieroty) tightens the present requirement on reporting expenses by requiring acknowledgment of all transfers of $25, or of gifts exceeding that value, to candidates, public officials, or election committees. It also requires reporting such contributions when the specific amounts are less than $25 if they exceed $100 in a year. AB 545 (Seeley) similarly accepts the present system, but adds the requirement that any group appearing before a legislative body, whether on the state, county, or local level, register all speakers and provide "a certified copy" of how many members it represents.

If the past is any guide, the hearing that the Gonzales proposael receives will depend to some degree on the exposure gubernatorial candidate Brown will be able to bring to it, and its chances of adoption remain slim at best. Even the Seeley and Sieroty measures may go nowhere, to judge from last year's legislative record in this field.

It may be, then, that only the People's Lobby's proposed initiative has any chance of enactment, because the Legislature will not give serious consideration to either strengthening or giving up its powers to control lobbying.

Legislature enacts bill continuing child-care services through June

Child-care programs in California will continue at least through June, even if the U.S. Department of Health, Education, and Welfare imposes new regulations that would, in effect, cut off much of the federal government's support of the programs. Governor Reagan said he was "pleased" to sign an $8.8 million appropriation to assure funding through June 30th, regardless of what the federal government does. The legislation was authored by Assembly Speaker Bob Moretti.

The Governor said that negotiations continue with HEW to "clarify the new regulations." Under them, the federal definition of financially poor parents would be revised to eliminate as many as 30,000 California children from the free day-care services. Moretti's bill would pick up the federal portion through the end of the present fiscal year, if state efforts to delay the cutbacks fail.

In addition, Reagan said, he is supporting a measure by Senator Milton Marks to appropriate $29.3 million to run the program through the 1973-74 fiscal year, should that become necessary.

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Governor's Local Government Task Force Starts Work

Governor Ronald Reagan's task force on local government reorganization, first mentioned by the Governor last September and announced officially in November, finally organized itself and began work in March. (See *California Journal*, January 1973.) The task force is headed by Robert B. Hawkins Jr., former director of the state Office of Economic Opportunity. The other members are Earl Strathman, retired Alameda County administrative officer; John Phillips, retired city manager of Pasadena; Charles D. Hobbs, who most recently was on the tax reduction task force and was formerly with the Department of Social Welfare; Alan Hyman, Hawkins' assistant at OEO; and Greg Krohm, who has just completed work on a doctorate at the Center for Public Choice, Virginia Polytechnic Institute. A steering committee, which provides overall policy guidance to the full-time task force members, is chaired by Lieutenant Governor Ed Reinecke. Other steering committee members are Edwin L. Meese, executive assistant to the Governor; Donald G. Livingston, the Governor's director of program and policy; Clifford Anderson, chairman of the Council on Intergovernmental Relations, and James A. R. Johnson, CIR's executive director; and Lewis K. Uhler, who is also chairman of the Governor's tax reduction task force.

The first stage of the task force's work is to refine the principles, policies, and goals that will guide its study of local government. One principle already agreed upon, according to Hawkins, is that additional layers of government are not the best way to solve multi-jurisdictional problems. There are four possible governmental responses to such regional problems, Hawkins said. One possibility is to consolidate the overlapping jurisdictions. A second is for the state to handle the problem. The third is creation of special multi-jurisdictional entities, or regional governments. The final alternative Hawkins said, is to give the governments involved a year to determine responsibility for multi-jurisdictional problems and find a way to solve them; if they don't, the state then might assume responsibility. Of these four alternatives, the third is the only one apparently eliminated out of hand by the task force.

CIR loses favor

This leaves the Council on Intergovernmental Relations, the state's agency for promoting local intergovernmental cooperation, out on a limb. While task force spokesmen go to some effort to proclaim officially the importance of the CIR to the task force's work — the CIR is conducting hearings throughout the state on behalf of the task force — the fact is that the CIR has been working in a direction almost diametrically opposed to that of the administration and the task force. It is, therefore, being shunted aside. On March 15th, for example, the CIR adopted policy guidelines for drawing boundaries of "substate planning districts". The new CIR policy substantially revises a policy it adopted only a year and a half ago in which it called for 10 such districts based on county boundaries. The new policy calls for 10 to 20 "areawide planning organizations" based on geography, urbanization, various other social and economic factors, and county boundaries.

The CIR states categorically that the APO's "are not an attempt to create regional government, nor . . . to add an addtional layer of government." Instead, it says, the policy constitutes "a positive effort for developing mechanisms for local solutions to areawide problems, and for providing the framework for coordination of functional and comprehensive planning by local, state, and federal agencies." The distinction seems to escape those associated with the task force who believe that the powers given the APO's are exactly the kind of additional layers of governmental functions to which they are most opposed.

The policy now goes to the Governor's cabinet for consideration for adoption as state policy. That the Governor's cabinet will not approve the council's policy before the Governor's new Local Government Reorganization Task Force completes its work was made clear by Reagan and Donald Livingston, the Governor's liaison with the task force, in the course of an interview with *California Journal*. "We are going to make sure that we are not making a decision that affects the local government study," Livingston said, "because the Governor's plan is to have the local government task force submit to him, by November 1st, their recommendations. Therefore, one of the first to look at what

REAGAN ON REGIONALISM

In an interview with *California Journal* on March 26th, Governor Reagan made the following remarks concerning regional government and his task force approach to its study:

"I am not one who believes the answer to our problem is more government, or another layer of government . . . What we will literally be saying [to the task force] is to take a look at the whole structure, and ask yourselves, 'If we were starting over, is this the way you would do it?' Maybe some counties are too big. Maybe some counties are too small. The 58 counties were evidently formed at a time when it made sense, based on the population, the activities, and the economy of California at that time. Maybe it doesn't make sense any longer . . .

"Suppose you had three counties that kept working together, finding that their problems were so mutual, that they shared so many things in common, and they kept trying to solve them by building a super level of government — a regional government above these three levels. Maybe you find that the answer is that the three counties become one county."

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The Little Engines That Can

The Story of How Japan Has Called Detroit's Bluff

By WILLIAM F. LIPMAN

On February 15th, Ford President Lee Iacocca told the New York Chamber of Commerce, that "we know of *no practical way* to meet the 1975 emission standards for our products in time to produce 1975 models." He also declared that it would be impossible to meet the even tougher 1976 standards. Chrysler, GM, and other domestic and foreign manufacturers echoed his comments in the press and at the court-ordered rehearing, by the Environmental Protection Agency, on the industry's request for a one-year delay in imposing the 1975 standards. Continental Oil's President John McClean advocated scrapping the 1975 Federal standards in a speech March 13th before the American Institute of Chemical Engineers. McClean asserted that it would cost $66 billion more to meet the federal standards than the slightly less stringent California levels, which he wanted delayed a year. Presidential Assistant John Ehrlichman noted, "There are a lot of things about the law that we just don't think make sense."

These speakers, and full-page ads in the national press, chose to ignore findings contained in two modest mimeographed test reports released by EPA in December and February. They reveal that the "impossible" should not take even a little longer. Indeed, the EPA tests confirm the wisdom of Congress and the California Legislature in enacting strict emission standards. Above all, these tests change the basic question about meeting 1975 (and 1976) standards from "how" to "how soon".

The pollution solution

The manufacturers who showed how it is done are not based in Detroit, but in Japan. Honda's "Compound Vortex Controlled Combustion" system controls emissions through design, essentially by lengthening the time of combustion. The CVCC needs no add-on devices or exhaust gas aftertreatment. Toyo Kogyo (Mazda) merely adds a thermal reactor (for hydrocarbon and carbon monoxide control) to the engine of its RX3 model (and a forthcoming RX4). (Mazda's engine is an inherently low emitter of oxide of nitrogen; in EPA's tests, Mazda's engines were only 17 percent above the 1976 NOx requirement.)

The cars submitted for testing were not laboratory curiosities. Each firm submitted one car that had already passed the Automobile Manufacturers Association 50,000-mile durability test. Mazda's 50,000-mile vehicle averaged approximately one-half of the 1975 levels for hydrocarbon and carbon monoxide levels, and one-third of the oxide of nitrogen level. Honda's 50,000-mile car was the lowest emitter of three tested, and EPA reported that "the CVCC engine achieved lower emission levels than any other gasoline-fueled engine without after-treatment ever tested by EPA." Neither system displayed any driveability problems; neither requires the use of non-leaded gasoline.

Further quelling doubts and countering head-in-the-crankcase arguments, Honda testified on March 20th that its technology could be mass-produced by "any automobile manufacturer" and that "we have yet to see any reason why the 1976 standards cannot be met as well." In an earlier study, the National Academy of Science reported that Honda might produce 100 percent of its 1975 production using the CVCC engine controls, and that computer simulation showed that this system would allow all but the very largest American-made cars to meet the 1975 standards.

Some questions

Besides challenging the validity of the Big Three's arguments, the Honda-Mazda achievements raise a number of interesting questions:

- What would be the state's response if these cars arrived at the Air Resources Board laboratory in El Monte and received certification?
- What legislative action should be taken to provide incentives to fleet and individual users to purchase cars equipped with these systems?
- What pressure should be put on domestic manufacturers to license and use this technology forthwith?
- Can these "better" internal combustion engines still be surpassed by modern steam power? (This last question is explicit in the Assembly's steam bus and passenger car projects — see *California Journal*, January 1973, p. 4 — and implicit in the Tunney-Magnuson "Automotive Research and Development Act of 1973".)

Speaking in the Senate on March 6th, Senator Mike Mansfield observed that "if one listened only to the auto companies and the oil companies, one would be convinced that the whole effort to control automotive air pollution was ill conceived and ought to be abandoned. Fortunately, there are other voices." So far, they have come from Japan, not Detroit.

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the CIR came up with and to evaluate it is the local government task force."

The task force, Hawkins said, is funded by $166,000 from the U.S. Department of Housing and Urban Development, a $34,000 Intergovernmental Personnel Act grant, and $50,000 in state money originally appropriated to the Council on Intergovernmental Relations to study local government.

The task force plans to devote the time until June 1st in a "conceptual phase", narrowing the study's focus to several key issues. From June through the middle of September, the emphasis will be on research and data collection, and from September until the end of the year, the task force will develop its recommendations for submission to the Governor. These recommendations, Hawkins said, will likely be concentrated in five or six areas, and will include a recommendation for continuing reform effort.

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Governor Reagan: *We think there is a percentage of private earnings above which government adversely affects the economy*

Governor Ronald Reagan discussed his thinking behind the tax-limitation proposal he plans to put before California's voters in this interview with the California Journal *in the Capitol on March 26th.*

California Journal: Given the needs of this state for financing education at all levels, for environmental conservation, for law enforcement, for transportation, why have you made tax limitation the number one priority of the last two years of your administration?

Governor Ronald Reagan: Well, for one thing, because I've called it an idea whose time has come. But there's a practical reason why this idea comes at this time. In these last several years, our problem has been a lack of funds, mainly because of welfare and Medi-Cal, which were increasing in cost at about 26 percent per year. Now, you count on normal revenues increasing with growth and inflation and so forth by about seven or eight percent a year. But you take the biggest chunk of your budget, and have that going up almost four times the normal increase in revenues and, obviously, you've got a revenue problem. Now we have cured that, and the one-time surplus is evidence of it. This is why we have this chunk of money to give back to the people, plus the fact that we can also now see an ongoing surplus. But, in addition to this, we also accomplish giving some sizable property-tax relief. Now, with all of this, we think that this is the time when we can do this, when you look ahead at the projections.

But the second thing is that when this task force on taxes came in with the expert advice that they had from these very noted economists from throughout the country, these men, for the first time in many years, are now of the opinion that government is out of control. And when you look at the fact that on a steadily increasing rate we've gone from government's taking 15 cents out of a dollar, and now you come up almost 20 years later and it is almost 45 cents — 44.7 cents — and another projection following the same historic path shows that in 15 years it'll reach 55 cents . . .

Journal: Is that a fair projection to make since, if you've already cut off that spiral with your welfare reform measures, it's not going up as fast as it was?

Reagan: Yes, except that you will find a thousand different ideas upstairs [in the Legislature] for how government can use that money, simply because it's there. It's a bit like climbing the mountain.

Journal: Is the surplus that we have now really a continuing surplus?

Reagan: Not as big as it is now, but we do have an ongoing surplus. But you see them budgeting up to the total amount of revenues that are brought in. Now, this is accepting, in their minds, that the tax structure is sort of sacred. Well, they forget: we raised the taxes a billion dollars in '67 because of an emergency, and we said at the time that if ever the emergency's over and we can we want to start giving it back, and we've given two one-time rebates. We've given back, all told, around $2 billion. Now, when we look at 44.7 cents as government's share of the citizen's dollar, that is the biggest single expense item that any citizen has. We think that someplace every branch of government has got to start facing up to whether there is a percentage of the private sector earnings above which government cannot go without adversely affecting the economy. And there's no question that we are beyond that point. Now, the federal government is the bigest villain. Here is where I think is the room for the biggest savings. But why shouldn't we do our part?

Journal: The proposal you're making would lock this into the Constitution. If this is an experiment, what happens if it's decided after a couple of years that it doesn't work?

Reagan: All right, then the people change it. The same thing that puts this into the Constitution takes it out: the people, by their vote.

Journal: But, politically, it's obviously a lot more attractive to put a tax limit in than it is to take it out.

Reagan: All right, then, we come right back to who is actually supposed to be the final authority in this country of ours. It is the people.

Journal: Doesn't this attempt to lock in a tax limitation reflect a distrust of the Legislature, which is, in theory at least, the most representative of the branches of government?

Reagan: No, not any more than it does of the Governor. All I'm asking the Legislature to do is to let the people make this decision. I'm not asking the Legislature to approve this. Nothing is changed in the relationship between the Legislature and the Governor.

Let me point out one thing that would have happened. Here's an example of what took place: five months before I became Governor, the Medi-Cal bill was implemented, based on what they said would be the cost. By the time I became Governor, it was already apparent that they had vastly underrated the cost of that program. If a system such as this had been in effect, Medi-Cal would have had to have been submitted to the people. There would have been a great opportunity for the people to find out whether that price was right or not, and then the people would have made their

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decision whether to have Medi-Cal at that cost or whether to do without.

But to get back to the Legislature and whether it does anything to them, I don't think that it does, in any way, but it does give back to the Legislature freedom from certain special-interest groups, and they can now turn their attention to priorities. They get under the pressure of a group that has a special interest that they believe the government should finance. Now, most people aren't paying any attention when this special-interest group turns the heat on, and they can make it impossible for legislators to say no . . .

Journal: What sort of special-interest groups are you thinking of?

Reagan: Well, when I say "special interests", you see, most people think in terms of some business or organization or group that wants a favor. Now, I'm talking about a cause. I'm talking about people who believe there is something lacking in the social structure, that there should be a goverment program for it. What is wrong with calling all the attention of the people to this, instead of bulldozing it through the Legislature with a great lobbying effort?

Journal: This tax-limitation plan might work well where we didn't have sudden crises, but let's take, for example, the current situation with the federal government simultaneously cutting back on the money it's spending in California for education, employment, and other programs.

Reagan: Well, I think there's a great confusion about what the federal government's doing. The President's fight with Congress is that he wants the money in block grants. We want them to turn it over to local and state governments to manage things and administer. And in every instance, there's an increase in the funding Now, Congress is fighting because they don't want that block-grant or revenue-sharing concept. They want to have all the strings on it. They want it to be categorical. They want to be able to tell everybody specifically what to do with the money. Now, there are programs the federal government is eliminating because they're failures — many of the community action programs, the poverty programs . . .

Journal: The child-care centers . . . ?

Reagan: No, this was almost an accident. The child-care centers were caught in the correcting of some regulations, and it's like anything — when you start a blanket move to straighten something out you catch something you hadn't intended to catch. But from the very first, we've known we were going to pick that up.

Journal: Do you expect also that at this point the federal government will continue the funding for child-care centers?

Reagan: Here, again, using that as the case, suppose the federal government just suddenly threw up its hands and said, "Here is a worthwhile program and we've been doing it all these years, and we're not going to do it anymore. It's your baby if you want it." One like child-care centers we can pick up well within a tax limitation, it's not that big. But suppose it were a bigger program, and you had to go to the people — you had to say: "Now, this is what we have been doing, here are the people that it helps, here's what it is going to cost, and here's how much above our tax limitation we will have to go. Do you or don't you want this?"

Journal: You foresee a large increase in the initiative process, then?

Reagan: Well, I don't think those things would be happening all the time. Remember, with this limitation we have a safety line underneath. We said that never would the limitation be allowed to go below the present per capita tax burden of the state adjusted for inflation, and that line is still way below the seven percent line out here fifteen years from now. So, you're talking about a budget that can be doubled within ten years under the limitation and a budget that can be tripled within fifteen years.

Journal: Governor, what would you like to think of as the Reagan administration's principal legacy when you leave office two years from now?

Reagan: I think over these years there has been a new awareness of state government on the part of the people. I think there is more participation by the people, more knowledge about it, more interest in it, more participation. You only have to look at where some of our alumni have gone. Not only to Washington, but out into the private sector. And I don't think they'll forget this very quickly. I think the several hundred people that were on the task forces and came in here and brought so many innovative things and modern business practices to government shook it up quite a bit. But I think these several hundred people are back there now with an awareness of government they've never had before. And, summing it all up, this would be the thing I am happiest about.

Medi-Cal savings and budget overruns are reported

Governor Reagan announced on March 18th that legislative and administrative "reforms" in the Medi-Cal program resulted in savings of $50 million in 1972. The savings was reported to the Governor and the Legislature in the annual Medi-Cal report prepared by the Department of Health Care Services and the Health and Welfare Agency. The report also claimed that, despite the savings, no eligible beneficiary had been denied necessary health care services and that the total number of eligible persons had risen by one-third. A key feature in the reform plan was the limitation of physician's visits to two per month without prior authorization. Drug prescriptions were also limited to two per month under the new basic schedule of benefits. These and other changes which require beneficiaries to receive specific authorization for supplemental services were credited with producing 99 percent of the savings claimed by the administration.

Two weeks later, however, Walter J. Quinn, deputy auditor general for the Legislature, charged that Medi-Cal administrators had paid private contractors $4.5 million more than had been budgeted for 1972-73 to set up a huge new computer system for benefit payments and still did not have the system they promised the Legislature.

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California Journal/*NEWSBRIEFS*

U.S. constitution does not forbid property tax to finance education

The U.S. Supreme Court ruled on March 20th that the Constitution does not forbid using property taxes to finance public education, even if such a system produces unequal educational opportunities. "Education, of course, is not among the rights afforded explicit protection under our Constitution," Justice Lewis F. Powell Jr. wrote in the court's 5-4 majority opinion. "Nor do we find any basis for saying it is implicitly so protected." To provide equal educational opportunities, the court maintained, "the ultimate solutions must come from the lawmakers and from the democratic pressures of those who elect them."

The decision reversed a lower federal court ruling that Texas' practice of financing education through local property taxes was unconstitutional because it based the quality of education on local rather than state wealth. In California, the state Supreme Court reached that same conclusion in 1971 in *Serrano v. Priest* (see *California Journal*, September 1971, p. 237-239). The fate of *Serrano* does not necessarily hinge on the U.S. Supreme Court's decision, however, some legal scholars argue, since it was based also on provisions of the California Constitution.

State adopts plan to make Cal Expo a year-round state park

The governing Executive Committee of the California State Fair and Exposition voted on March 30th to go out of existence as soon as legislation is enacted transferring Cal Expo's operation to the state Department of Parks and Recreation. Meanwhile, Parks Director William Penn Mott Jr. will assume the new post of Cal Expo Executive Officer, with the present manager, Thomas Bair, staying on at least through the 1973 State Fair this August and September.

The action followed a surprise proposal by Governor Reagan on March 16th to put Cal Expo in the state parks system. "Under the plan," Reagan said, "the State Fair would be enhanced and the unique asset represented by the prime recreational site would be developed to its fullest and best use."

Mott told the Cal Expo committee that he hasn't yet developed a plan to make the exposition the year-round operation it had been conceived as, but he said that such would be his goal. There is no lack of plans developed over the years (see *California Journal*, August 1972, p. 224), but adequate funds to carry them out have not been appropriated.

PUC grants PG&E a $54.9 million annual rate boost

The California Public Utilities Commission granted the Pacific Gas & Electric Co. a $54.9 million yearly increase in PG&E's rates for electricity. The new rates, effective April 7th, will add about 55 cents to the average electric bill paid by the utility's 2.4 million customers in northern California. The increase was justified, PUC determined, by increased prices PG&E must pay for fuel to generate electricity. No public hearings were necessary before granting the rate increase in such a circumstance under recently adopted PUC rules.

New PUC rules aim at movers who tend to underestimate costs

As of April 21st, movers of household goods who deliberately underestimate the cost of a job in order to get a client's business will risk having their licenses revoked and their officers fined up to $500 and imprisoned up to three months. The California Public Utilities Commission issued interim orders last month to crack down on household moving companies. The orders govern some 600 moving companies in the state, and, if further investigation warrants it, the commission said, permanent orders will be issued.

A PUC spokesman said that, as a general rule, a moving company would be in violation of the new orders if its final charge exceeded its estimate by more than 10 percent. The commission's investigation revealed that Bekins Moving and Storage underestimated the cost of moving jobs 29 percent of the time, by an average of $174. Allied Van Lines underestimated by an average of $114 on 22 percent of the jobs for which it bid. The regulations also specify that the moving companies must extend credit if a customer wants it.

Assembly Speaker Bob Moretti has denounced the new PUC rules as "a sweetheart agreement with the industry". Moretti was particularly critical of the requirement that movers be found guilty of "deliberate" underestimating, which, he said, will be extremely difficult for consumers to prove.

Legislative report says UC research emphasis neglects teaching

Undergraduate education at the University of California suffers from an overemphasis on research that also drives up the cost of education, according to a sharply critical report issued last month by a legislative committee reviewing higher education in California. The report was prepared by Lewis B. Mayhew, professor of higher education at Stanford University and consultant to the Joint Legislative Committee on the Master Plan for Higher Education.

Mayhew charged that this emphasis "draws the best minds away from teaching" and requires additional faculty to be hired to teach while their colleagues study. Nor is all this research necessarily productive, he said. "There is much textbook writing and sheer redundancy which is classified under the heading of research," Mayhew asserted. To correct this situation, he suggested that the Legislature alter the 1960 Master Plan to remove UC's primary role for research, and consider a "national evolution of research effort" toward a system in which perhaps 100 institutions nationwide would be principal research agencies, with most of their funds coming from the federal government. One result, he suggested, would be to limit California to four or five such research agencies, public and private. "Then the reason for the clearcut assignment of different functions . . . could be eliminated," Mayhew said, and UC and the California State University and Colleges could be, to some extent, merged.

The Joint Legislative Committee is conducting hearings around the state on a proposed revision of the 1960 Master Plan (see *California Journal*, March 1973, p. 99).

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Environment, Welfare Challenges Are Targets of New Private Interest Groups

On March 5th, an unusual new organization called the Pacific Legal Foundation filed incorporation papers and applied to the Internal Revenue Service for tax-exempt status. Its purpose, according to members of a California Chamber of Commerce task force that recommended creation of such a foundation last summer, is to meet "the challenge of those who have gone to the courts to seek change in public policy in areas which vitally affect private industrial, business, and agricultural interests, and to successfully defend governmental agencies from the disruption of their daily functions." Specifically cited were California Rural Legal Assistance (CRLA) and the San Francisco Neighborhood Assistance Foundation, both federally funded. Such organizations, the task force asserted, have "engaged in a widespread attack upon government policy, and have gained changes which may prove detrimental to the interests of state agencies and the private sector. The battle has covered such diverse fronts as welfare, ecology, timber, water development, and pesticides."

Among Pacific Legal Foundation's directors is James Hall, formerly a member of the Governor Reagan's cabinet as secretary of the Business and Transportation Agency and now an attorney for MCA Corporation of Universal City. Other directors represent McKeon Construction Co., Copley Press, Southern Pacific, Valley Nitrogen Producers, Fluor Corp., and Simpson Timber Co., according to Roy A. Green, who resigned as a lobbyist for the state chamber to become Pacific's executive director. His professional staff includes a former deputy attorney general, Raymond A. Momboisse, and Ronald A. Zumbrun, formerly chief of legal affairs for the state Department of Social Welfare (and now on part-time leave from the foundation until June to serve as a consultant to the U.S. Department of Health, Education, and Welfare). According to Green, the foundation expects to spend $130,000 in its first year, and a fundraising effort is now underway. All the directors' firms are expected to contribute, Green said.

The foundation's initial posture will be defensive, Green said in an interview. "We will seek to broaden the scope of an issue brought before the judiciary in that broad field called the public interest." This might mean opposing conservationist suits to halt or delay a construction project, he said, or countering legal tactics by such groups as the Welfare Rights Organization seeking to thwart government regulations.

Pacific Legal Foundation is not the only organization formed recently to combat environmentalists. In San Diego, management and labor have joined to form SEED, for Stability, Employment, Environment, and Development, whose members include the Teamsters and representatives from savings and loan, real estate, and construction interests. Its stated purpose is to oppose those who are "well organized, vocal and well versed in securing publicity to promote their philosophies of 'no growth', 'stop everything' and 'don't touch or disturb'." A similar Orange County group, CEED, for Council on Environment, Employment, Economy, and Development, is headed by Gilbert W. Ferguson, who says, "We are in a battle which only can be won by a massive offense which will convince the average citizen that his livelihood and way of life are at stake."

Meetings of the following state boards, commissions, and councils are listed each month; if one of these is not listed, it can be assumed that it is not scheduled to meet this month. Boards, commissions, and councils to be included are: Board of Education; Board of Equalization; Board of Governors of the California Community Colleges; Board of Trustees of the California State University and Colleges; Consumer Advisory Council; Coordinating Council for Higher Education; Council on Criminal Justice; Highway Commission; Little Hoover Commission; Park and Recreation Commission; Regents of the University of California; and Social Welfare Board.

April 17	**Highway Commission.** Public Works Building, 1120 N St., Sacramento. 9 a.m.
April 24-25	**California Tomorrow Fourth Biennial Statewide Planning Conference.** Hilton Hotel, San Francisco. Entitled "Do the Pieces Fit?", a conference on planning for California's future. Registration: $25 per person (includes two luncheons). Checks payable to California Tomorrow Conference, 681 Market St., Monadnock Building, San Francisco 94105.
April 24-27	**Board of Equalization.** 1020 N St., Sacramento. 10 a.m.
April 25	**Consumer Advisory Council.** Santa Clara Medical Health Facility, corner of Bascom and Moorpark, San Jose. 10 a.m. Subject: consumer problems of senior citizens.
April 27	**Council on Criminal Justice.** Le Baron Hotel, San Diego. 9:30 p.m.
April 27-28	**Social Welfare Board.** 4/27 — Board of Supervisors Chambers, Placerville. 9 a.m. 4/28 — Cameron Park Inn, Shingle Springs. 8 a.m.
May 1	**Special Election.** To fill the 38th state Assembly District seat left vacant by the death of Carley Porter. Possible runoff May 29th.
May 4-5	**Law Revision Commission.** State Bar Building, 601 McAllister St., San Francisco. 10 a.m.
May 8-11	**Board of Equalization.** 1020 N St., Sacramento. 2 p.m.
May 10-11	**Board of Equalization.** Auditorium, 1416 Ninth St., Sacramento. 9 a.m.
May 10-11	**Park & Recreation Commission.** Concord. Location undecided.
May 18	**Regents of the University of California.** Los Angeles Convention Center, 1201 S. Figueroa St., Los Angeles.

The following boards and commissions follow a standard monthly schedule and thus are not included in the Calendar: Allocation Board, second Tuesday of each month; Board of Agriculture, first Thursday; Commission of Housing and Community Development, third Wednesday of every other month; Lands Commission, last Thursday of each month; Merit Award Board, second Wednesday; Public Works Board, last Monday; Reclamation Board, second and fourth Fridays; San Francisco Bay Conservation and Development Commission, first and third Thursdays; Soil Conservation Commission, fourth Tuesday; Transportation Board, first Thursday; Water Commission, first Friday; and Water Resources Control Board, first and third Thursdays. Please contact the agency for meeting time and place.

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Recent Supreme Court Decisions

The following are the more significant of the California Supreme Court's actions in March.

Drug company liability affirmed

On March 14th, the court announced that it had affirmed a $400,000 judgment against the pharmaceutical firm, Parke, Davis & Company, and in favor of the family of a woman who died as a result of being treated with the drug, Chloromycetin. The unanimous decision was written by Justice Raymond L. Sullivan.

The dead woman had been given six separate administrations of the antibiotic by her physician to treat a chronic lung infection. As a result of taking the drug, however, the woman developed aplastic anemia, a condition in which the bone marrow is unable to produce sufficient blood cells to fight off general infection, and, after she subsequently contracted pneumonia, she died. A Los Angeles jury found the physician and the drug manufacturer negligent and awarded the woman's family $400,000 in damages. The trial court granted the drug company a new trial, however, when the family refused to accept a reduced award of $64,473, and the family appealed to the Supreme Court.

The Supreme Court's decision to overrule the trial court was based on the fact that the drug company had continued to promote and advertise the drug in some cases without warnings of potentially dangerous side effects, despite having been ordered to do so in 1952 by the U.S. Food and Drug Administration. The court found, in fact, evidence of promotional efforts that minimized the dangers and had the effect of nullifying the warnings that the company did give. The physician's negligent prescription, said the court, "was a foreseeable consequence of the extensive advertising and promotional campaign planned and carried out by the manufacturer."

Criminal defendant denied right to a speedy trial

James Roger Sykes had pleaded guilty to a robbery charge in June 1969 and was imprisoned. About one and one-half years later he filed a petition for habeas corpus, alleging that the guilty plea was invalid. The Court of Appeal agreed, set his guilty plea aside and, on October 22, 1971, ordered him released and rearraigned for a new trial. A copy of the order was served upon the prison officials in charge of Sykes, the court that had originally accepted his guilty plea, and the Attorney General. Sykes, however, was not released until December 17th and, although he had completed his prison sentence, he was released on parole, rather than in compliance with the court order.

Sykes made inquiries about his new trial while in prison, but he was advised that "the authorities would come and get him when they wanted him." After his release, he and a relative made several telephone calls to the court to find out when his case was scheduled for trial, but were advised that the court personnel had no information relating to a new trial. Finally, in late May 1972, Sykes went to the Orange County Public Defender's Office for help. On the basis of the documents that Sykes had received when he was ordered released, the public defender promptly asked the trial court to dismiss the charges on the ground that Sykes had been denied his right to a speedy trial. When the court refused, Sykes petitioned the Supreme Court.

The court ruled unanimously that Sykes had been denied his constitutional right to a speedy trial by the delay in prosecution and that Sykes himself was not responsible for the delay, as he had no obligation under the circumstances to turn himself in. Chief Justice Donald R. Wright, author of the court's opinion, held that under the Constitution a person who has been released on a writ of habeas corpus and ordered rearraigned and retried on the original charges has the same interest in a speedy trial as do persons who establish that right by other legal processes.

Banks responsible for cashing forged checks

If a bank cashes a check or accepts it for deposit with a forged endorsement, the true owner of the funds may recover the full amount from the bank as long as he or she did not contribute substantially through negligence to the successful forgery. So ruled the court in a unanimous decision written by Justice Stanley Mosk and announced on March 20th.

The decision was the first by a major court regarding recovery of funds from a bank under the provisions of the Uniform Commercial Code, which was adopted by California in 1963 and is now in effect in 48 other states. In the case under consideration, a bookkeeper of a partnership had forged endorsements on a number of the partnership's checks and either cashed them or deposited them in her account. The partnership sought to recover its funds from the several banks involved and won the court's support for doing so with regard to checks cashed or deposited during the first six months of the bookkeeper's employment. Thereafter, the court said, the partners were negligent in failing to discover the bookkeeper's acts.

Court refuses to hear rulings on protective orders

On March 23rd, the court said that it would not grant hearings in five cases involving the issuance of protective orders, also known as "gag" orders, but would allow appellate court decisions to stand.

In two of the cases, *Sun Co.* and *Progress-Bulletin*, the San Bernardino Superior Court had issued an order prohibiting newspapers and others news media in the area from publishing the names and photographs of prisoners called as prosecution witnesses in a murder trial. The Court of Appeal, however, vacated that order on the ground that such a prior restraint was not necessary to guarantee a fair trial. "First Amendment rights

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may not be 'sacrificed' on the basis of a possibility that some evil might occur if the utterance is published," the court said.

In the *Younger*, *Times Mirror Co.*, and *Busch* cases the Court of Appeal reversed a contempt conviction of the district attorney for violating a pretrial court order restricting the dissemination of information by the prosecution or the defense. In the *Younger* case, the Court concluded that a press release issued by the district attorney in violation of the court order did not prejudice the then-pending criminal trial. In the *Times Mirror* case, the Court of Appeal held that the trial court's order directing "all agencies of the public media" not to publish any matters except those occurring in public court to be "judicial overkill". That portion of the trial court order was vacated.

In the *Busch* case, the Los Angeles district attorney had sought to have the *Times Mirror* publicity order vacated as to his entire staff. Upholding the order as it applied to Busch and his staff, the court concluded that the nature of the publicity at the time provided "ample justification" for the order when it was made. Prosecutors are "elected or appointed to prosecute criminal cases, rather than to talk about them," the Court of Appeal emphasized. The court also pointed out that protective orders may be modified as circumstances change.

Building restrictions constitute property in cases of condemnation

The court announced on March 28th, in a 5-2 decision written by Justice Mosk, that a building restriction in a deed constitutes "property" in condemnation proceedings. A landowner must therefore be compensated for damages resulting from the use of condemned land in violation of the original restriction.

When Southern California Edison Company attempted to obtain certain Santa Barbara land by eminent domain in order to build an electric substation, nearby landowners asserted that they also should be compensated. They contended that since the deed to the land prohibited use of the property for an electric transmission station, they would be damaged if such a station were built. The Supreme Court, in accord with a majority of other state and federal courts, held that building restrictions constitute property rights for purposes of eminent domain proceedings and that a condemning agency must compensate a landowner damaged by the violation of the restriction. Comparing deed restrictions to easements, the court held that the condemnor could not avoid compensation merely by declaring an easement to be a property interest and a deed restriction to be a contractual right. The Supreme Court ordered that the matter go back for trial to determine the proper amount of compensation to be paid.

The majority opinion was signed by Chief Justice Wright, Justice Tobriner, Justice Sullivan and Court of Appeal Justice Kaus, who was assigned to hear the case, filling a temporary vacancy on the court. Justice Burke dissented, holding that in a ruling in 1930 the court had correctly declared a building restriction not to be a property right but merely a negative easement. Justice McComb joined in the dissent.

Ex-convicts can not be deprived of the right to vote

In a unanimous decision written by Justice Mosk, the court ruled on March 30th that a person convicted of a crime who has served out his prison term and parole period cannot be deprived of the right to vote if otherwise qualified. The court ruled that a provision of the state constitution that permanently disenfranchises a person convicted of an "infamous" crime (which now includes 76 felonies, 60 misdemeanors, and 14 felony-misdemeanors) violates the equal-protection clause of the Fourteenth Amendment of the U.S. Constitution.

One of the three cases in question concerned Abram Ramirez, a 43-year-old farm worker convicted of robbery and assault in Texas 21 years ago. Ramirez, who had been released from jail after a short sentence and had completed his parole 11 years earlier, was refused the right to register to vote in San Luis Obispo County. In the other two cases, the petitioners were similarly denied the right to register in Monterey and Stanislaus Counties.

In 1966, the court noted, it had ruled that a conscientious objector could not be barred from ever voting, because his crime could not reasonably be thought to threaten the elective process. Since then, it said, the U.S. Supreme Court and lower federal courts had repeatedly emphasized that state restrictions on voting eligibility must be fair and reasonable. Moreover, the court noted, the purpose of disenfranchisement was to protect the state from election fraud and this could better be accomplished by regulating the voting process and penalizing its misuse than in disenfranchising persons convicted of various crimes.

Other Court actions

Reapportionment. The court outlined in a special order issued on March 23rd the procedure it will follow in developing new legislative and congressional district lines. The procedure calls for the appointment of three Special Masters (still to be named) who will hold public hearings on behalf of the court to consider the general criteria for reapportionment, as well as specific reapportionment plans. According to the court's timetable, the masters must complete their work and submit their recommended reapportionment plans to the court by August 31st. Interested parties will then have 30 days to submit briefs, after which (in October or November) the court will begin to hear oral arguments.

The three masters are to be assisted by special counsel and experts in reapportionment and computer technology, including legislative staff and other state personnel as needed. In this order, the court made it clear, however, that it would consider halting its reapportionment proceedings if the Legislature adopts valid plans before the masters and the court complete their work.

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Near Record

Six Special Elections Certain This Year

The year 1973 will see more special elections for vacancies in the state Legislature than any year since 1953, and at the rate vacancies are occurring so far this year, the 1953 all-time record of eight special elections may yet be broken. Six special elections are already certain and others are possible.

The six special elections are as follows:

22nd Senatorial District. This vacancy was created by the death last October of Senator Tom Carrell, a Democrat. In a runoff February 27th, Democrat Alan Robbins defeated Republican Phillip Johnson in this 62 percent Democratic district covering the San Fernando Valley. Both finalists had defeated tough opponents in their primaries: Johnson defeated former Assemblyman Hank Arklin, and Robbins defeated Assemblyman Jim Keysor.

38th Senatorial District. Republican Senator Clair W. Burgener's election to Congress last fall left this San Diego County seat vacant in January. Assembly Republican Caucus Chairman John Stull received the necessary majority vote in the primary March 6th, thus precluding the need for a runoff in this strongly Republican district.

38th Assembly District. Assemblyman Carley Porter died December 6th, vacating the seat he had first won in a special election in 1949. The election to fill the vacancy is scheduled for May 1st, with a runoff, if needed, on May 29th. This district has a 65 percent Democratic registration, but the Democrats tend to vote conservatively. They voted for Nixon over McGovern last year 40,302 to 33,680. They also cast their ballots overwhelmingly for the death penalty and against marijuana legislation; and substantially against the coastal initiative and for the anti-busing initiative. This strongly labor-oriented district also voted heavily against the grower-sponsored farm labor initiative, however.

Of the 14 candidates for the vacancy, 10 are Democrats. The early frontrunner seems to be Frank Vicencia, Sacramento lobbyist for the League of Milk Producers and the Southern California Rapid Transit District, especially after another candidate Ephraim Valencia, was prevented by the Secretary of State from listing himself as E. Frank Valencia and using the same occupational designation as Vicencia.

67th Assembly District. The death of Democratic Assemblyman Larry Townsend on March 6th left a vacancy in this heavily Democratic but conservative Los Angeels district. Although Democrats have more than 60 percent of the registered voters here, the district's voting pattern is similar to that of the 38th Assembly District. The district gave 61 percent of the two-party vote to President Nixon. It would take a substantial upset for the Republicans to capture this seat, however.

80th Assembly District. The special elections to fill this vacancy, created by Assemblyman Stull's election to the Senate, are scheduled for the same days as the 67th District election, May 29th and June 26th. The 80th is the third most heavily Republican Assembly District in the state, making victory in the Republican primary tantamount to election.

12th Assembly District. A special election will be necessary for this district as soon as Republican Assemblyman Bob Monagan's appointment as assistant secretary in the U.S. Department of Transportation is confirmed by the U.S. Senate. There is a strong possibility that the Democrats could win this San Joaquin County seat, which has been held since 1960 by Monagan. The district registration is 57 percent Democratic to 36 percent Republican. The district gave 58.7 percent of its two-party vote to Nixon, only slightly more than the statewide percentage and far less than that received by the President in most districts in which Republicans won last year.

1973 Special Election Box Score

District	Seat of	Primary Date	Results
22nd S.D.	Carrell (D) Died	Jan. 30th	Alan Robbins (D) won in runoff, Feb. 27th.
38th S.D.	Burgener (R) Elected to Congress	March 6th	Assem. John Stull won in primary
38th A.D.	Porter (D) Died	May 1st	—
67th A.D.	Townsend (D) Died	May 29th	—
80th A.D.	Stull (R) Elected to Senate	May 29th	—
12th A.D.	Monagan (R) Washington appointment	—	—

John Schmitz quits the American party: 'too much squabbling'

Former Representative John G. Schmitz, who last summer replaced Alabama Governor George Wallace as presidential nominee of the American Party, quietly quit his adopted party last month. "I'm more comfortable as an independent," explained Schmitz, who lost his seat in Congress by failing to win the Republican nomination last June. Former Orange County Assessor Andrew Hinshaw defeated Schmitz and went on to win the seat in the November election. Schmitz then quit the GOP to receive the presidential nomination from the American Party after Wallace announced his withdrawal from the campaign after being severely wounded in an assassination attempt.

The American Party, Schmitz explained, is beset by "too much internal squabbling." Some members, he added, "would rather lose an election than lose control of their little fiefdom."

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PEOPLE IN THE NEWS

President Nixon officially announced the appointment on March 6th of California state Assemblyman **Robert T. Monagan,** 52, as assistant secretary of transportation for congressional and intergovernmental affairs. Monagan, a Republican, immediately resigned as Assembly minority leader, but will hold his Assembly seat until the U.S. Senate confirms his appointment. Monagan was first elected to the Assembly in 1960 to represent San Joaquin County's 12th District. He served as Speaker in 1969 and 1970, and has served as minority leader since the Democrats regained control of the Assembly in 1971. Assemblyman **Robert G. Beverly,** 47, of Manhattan Beach was elected during a closed Republican Caucus to succeed Monagan as Assembly minority leader. Beverly was elected Republican Caucus chairman last January, and will relinquish that post to Assemblyman **Frank Murphy Jr.** Assemblyman **Dixon Arnett** will replace Murphy as whip.

Other Californians are on their way to Washington. Department of Social Welfare deputy directors **Ronald A. Zumbrun,** 38, **John A. Svahn,** 30, and **Carl Williams,** 35, resigned their positions in the Reagan administration to join Robert Carleson in the Department of Health, Education, and Welfare (see **California Journal,** March 1973, p. 108). Zumbrun, who was Carleson's chief legal deputy in the Department of Social Welfare, will serve six months as a special council for HEW, but will commute back to Sacramento regularly to help set up the new Pacific Legal Foundation, a private organization to oppose environmentalists and poverty lawyers in the state and federal courts. Svahn, who since last summer served as Welfare Director Carleson's chief deputy, will work in the Social and Rehabilitation Service of HEW. Williams, who was deputy director for planning, will work directly under Carleson at HEW.

Speculation concerning likely candidates for statewide office in 1974 continues. **John G. Veneman,** 47, former undersecretary of Health, Education, and Welfare, has not yet officially declared himself a candidate for Lieutenant Governor, but says "it's no secret" that he would like the Republican nomination. "Federal-State relationships are going to become increasingly more significant as times goes on," said Veneman, a former Assemblyman. The job of Lieutenant Governor "fits my experience," he continued, adding, however, that if Lieutenant Governor Ed Reinecke, a possible candidate for Governor, decides instead to seek reelection, he will not oppose him.

Sigurd L. Hansen, 52, director of the Department of Human Resources Development since 1971, submitted his resignation to Governor Reagan, effective April 1st. Hansen previously was deputy director. The Governor immediately appointed **Dwight M. Geduldig,** 49, to succeed Hansen as HRD director. Geduldig had been director of the Department of Health Care Services, which administered the Medi-Cal program until April 1st, when the Departments of Health Care Services, Public Health, and Mental Hygiene were reorganized into the new Department of Health, which is to become fully operative on July 1st. Within that reorganization, **Jerry W. Greene,** who had been Geduldig's chief deputy director, assumed the new position of chief of health finance systems, with responsibility for Medi-Cal administration and Crippled Children's Services.

Evelyn E. Whitlow was named last month as chief of the Division of Industrial Welfare in the Department of Industrial Relations. She replaces Virginia Allee who resigned in March 1972. George Milias and Albert Reyff have served as acting division chiefs. A Republican, Whitlow has been in private law practice in Los Angeles since 1948.

Wesley P. Smith, Director of Vocational Education in the state Department of Education for 25 years, announced his retirement last month. Smith joined the department in 1942 as regional supervisor of the Bureau of Agricultural Education. **Samuel L. Barrett** was named acting director by state Superintendent of Public Instruction Wilson Riles.

When the Department of Public Works passes out of existence June 30th, its director, **James A. Moe,** will head its successor agency, the new Department of Transportation (see **California Journal,** March 1973, p. 83). Moe, 40, will assume his new duties immediately, supervising final plans for the transformation. A civil engineer by training, Moe left a Los Angeles construction firm to join the Reagan administration in February 1967 as deputy director of the Department of Public Works. He became chief deputy director later that year, and was appointed director on October 10, 1968. The annual salary is $31,500. He is a Republican.

William P. Clark Jr. was sworn in as California Supreme Court Justice on March 23rd, after more than two months of controversy that began when Governor Reagan announced the appointment of the former top aide, whom he had earlier named first to the Superior Court and then to the Court of Appeals. The controversy had swirled about the new justice's judicial experience, or lack of it, a factor cited by Chief Justice Donald R. Wright, among others, who opposed the nomination. Clark succeeds Justice Raymond Peters, who died.

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Selected State Government Reports

EDUCATION

Draft Report of the Joint Committee on the Master Plan for Higher Education; by the Joint Committee, Assembly P.O. Box 83, State Capitol, Sacramento 95814. Single copies free of charge. February 1973. 118 p. Contains the tentative recommendations of the joint committee to the Legislature, presented first in draft form to the public, "for a final round of discussion and critique." Comments are invited, and should be sent to the above address.

Goals for California Higher Education: A Survey of 116 College Communities; by Richard E. Peterson for the Joint Committee on the Master Plan for Higher Education, Assembly P.O. Box 83, State Capitol, Sacramento 95814. (No charge) March 1973. 178 p. plus appendices.

The Role of Research in California Higher Education; by Lewis B. Mayhew for the Joint Committee on the Master Plan for Higher Education, Assembly P.O. Box 83, State Capitol, Sacramento 95814. (No charge). March 1973. 69 p.

Political Feasibility of Reform in School Financing: The Case of California; by Arnold J. Meltsner, Gregory W. Kast, John F. Kramer, and Robert T. Nakamura. Published in cooperation with the Urban Institute by Praeger Publishers, 111 Fourth Ave., New York, N.Y. 10003. ($17.50) March 1973. 277 p.

Faculty Salaries and Benefits at the University of California and the California State University and Colleges; by the Coordinating Council for Higher Education, 1020 12th St., Sacramento 95814. March 1973. 61 p.

The Costs of Instruction in California Public Higher Education; by the Coordinating Council for Higher Education, 1020 12th St., Sacramento 95814. March 1973. 97 p. plus appendices. Includes: Actual Costs 1971-72, Estimated Costs 1972-73, and Proposed Costs 1973-74.

PUBLIC FINANCE

Changing State Budgeting: by S. Kenneth Howard, published by the Council of State Governments, 85 Post St., San Francisco 94104. ($4.95) 1973. 372 p.

A Preliminary Estimate of the Fiscal Impact on California of New Federal Laws and Regulations, Impounded Federal Funds and the 1974 Federal Budget; prepared by the Office of Assembly Speaker Bob Moretti, State Capitol, Sacramento 95814. (no charge) March 1973. 12 p.

Economic Report of the Governor 1973; by Governor Ronald Reagan. Transmitted to the Legislature March 1973. Available from Documents Section, P.O. Box 20191, Sacramento 95820. ($2.00) 87 p.

HEALTH AND SOCIAL WELFARE

A Review of Public Law 92-512, Limitation on Federal Social Service Funds, and Public Law 92-603 (H.R. 1), the Supplemental Security Income Program for the Aged, Blind and Disabled, and Changes in the Medicaid Program; by the Legislative Analyst, State Capitol, Sacramento 95814. February 1973. 36 p. Reviews the impact on California of the federal Revenue Sharing Bill and H.R. 1.

1972 Annual Report to the Governor and to the Legislature; by the Department of Health Care Services, 714 P Street, Sacramento 95814. (No charge) February 1973. 52 p. Highlights various components of California's Medi-Cal program as administered by the Department of Health Care Services.

ENVIRONMENT

Water Resources Planning and Agricultural Water Needs; by the Legislative Analyst, State Capitol, Sacramento 95814. (No charge.) January 1973. 77 p.

MISCELLANEOUS

Electronic Data Processing in California State Government, with emphasis on the consolidated data center approach; by the Legislative Analyst, State Capitol, Sacramento 95814. (No charge.) February 1973. 70 p. plus appendices.

Trends in State Constitution-Making 1966-1972; by Albert L. Sturm, Virginia Polytechnic Institute and State University. Published by the Council of State Governments, Iron Works Pike, Lexington, 40505. $3.50) March 1973. 112 p.

Tentative Recommendation Relating to Liquidated Damages; by the California Law Revision Commission, School of Law, Stanford University, Stanford 94305. March 1973. 21 p. Comments on this tentative recommendation to the Legislature should be sent to the Commission not later than May 15, 1973.

Final Report of the Assembly Advisory Council on Public Employee Relations; by the Advisory Council. March 1973. 267 p. plus appendices. Limited supply available from Leah Cartabruno, Assembly Office of Research, Room 500, Library and Courts Building, Sacramento 95814. ($1.50) Make checks payable to Assembly Rules Committee.

National Student Vote 1972 (supplement to **California Student Vote 1972** issued in January 1973); prepared by University of California Student Lobby, 926 J St., Room 216, Sacramento 95814. ($1.00) March 1973. 12 p. Analysis of the student vote nationwide; sampling includes 93,000 students at 31 campuses in 21 states.

NOTE: Unless otherwise indicated, reports may be obtained by writing the publisher, state agency, or legislative committee at the address given. Prices are listed when available.

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Listed below are the votes of Senators and Assemblymen on recent major roll calls in the Legislature and a brief summary of the issues under consideration. Votes selected for inclusion are issues of major importance to Californians as a whole or issues on which there was a major division of opinion, or both.

Y—Yes *—Absent or Not
N—No Voting

A ⅔ vote is required for urgency measures, constitutional amendments, and appropriation bills.

Assembly: 41 votes required for passage of bills requiring majority vote. ⅔ = 54 votes.

Senate: 21 votes required for passage of bills requiring majority vote. ⅔ = 27 votes.

SENATE

Feb. 23rd to March 1st

SB 5 (Nejedly) — Enacts Forest Practice Act of 1973, providing for the adoption of permanent forest-practice rules and regulations. Requires nine-member State Board of Forestry to divide state into at least three forest districts and to adopt forest-practice rules for each disrict relative to timber operations, soil erosion, watershed control, timber-growth preservation, stocking, and flood control within nine months after effective date of act. Passed 30-0. To Assembly.

March 2nd to 8th

Seating of Senator-elect Alan Robbins — Motion by Senator Harmer that Senate resolve itself into a Committee of the Whole to determine whether Alan Robbins, newly elected Senator from the 22nd district, should be denied a seat because of alleged failure to comply with residency requirements. Motion failed 10-26.

March 9th to 15th

SB 81 (Song) — Repeals laws that permit civil arrest and imprisonment of a person for failure to pay debts. Passed 26-0. To Assembly.

AB 387 (Moretti) — Appropriates $8,806,500 to the Department of Education to replace federal funds for child care for 1972-73 fiscal year. Passed 32-0. To Governor.

SB 256 (Mills) — Exempts developers from permit requirements of California Coastal Zone Conservation Act of 1972 for any development started before November 8, 1972, rather than April 1, 1972, if the developers had city or county building permits and had performed substantial work. Passed 30-0. To Assembly.

March 16th to 22nd

SB 69 (Grunsky) — Prohibits the parole of a prisoner convicted of nonviolent escape for at least one year from the time he or she is returned to prison after conviction. Passed 28-1. To Assembly.

SB 322 (Beilenson) — Makes 1972 legislation requiring rubella test for a female prior to obtaining a marriage license effective January 1, 1974, due to an insufficient number of laboratories capable of performing the tests. Passed 32-0. To Assembly.

SB 31 (Grunsky) — Reduces from 180 days to 30 the period of time in which a decision by local government regarding a subdivision may be challenged. Passed 27-2. To Assembly.

March 23rd to 29th

ACR 9 (Burton) — Adopts new joint rules of Senate and Assembly, providing for a series of bill-process

SENATE

Democrats 20	SB 5	(A)	SB 81	AB 387	SB 256	SB 69	SB 322	SB 31	ACR 9
Alquist	Y	N	Y	Y	Y	Y	Y	Y	Y
Beilenson	Y	N	Y	Y	*	Y	Y	*	Y
Collier	Y	N	Y	*	Y	Y	Y	Y	*
Dills	Y	N	Y	Y	Y	*	*	Y	*
Dymally	Y	N	*	Y	Y	Y	Y	Y	Y
Gregorio	Y	N	Y	Y	Y	Y	Y	Y	Y
Holmdahl	*	N	Y	Y	Y	*	*	*	Y
Kennick	Y	N	Y	Y	Y	Y	Y	Y	Y
Mills	Y	N	Y	Y	Y	Y	Y	Y	Y
Moscone	Y	N	*	Y	*	*	Y	Y	*
Petris	Y	N	Y	Y	Y	Y	Y	Y	Y
Robbins	-	-	Y	Y	Y	Y	Y	*	Y
Roberti	Y	N	Y	Y	*	Y	Y	*	Y
Rodda	Y	N	Y	Y	Y	Y	Y	*	Y
Short	*	N	*	Y	Y	*	Y	*	Y
Song	Y	N	Y	Y	Y	Y	Y.	Y	Y
Stiern	Y	N	Y	*	Y	Y	Y	Y	Y
Walsh	*	N	*	*	Y	*	*	*	Y
Wedworth	Y	N	*	Y	Y	*	*	*	Y
Zenovich	*	N	*	Y	Y	Y	Y	Y	Y

Republicans 20	SB 5	(A)	SB 81	AB 387	SB 256	SB 69	SB 322	SB 31	ACR 9
Behr	Y	Y	Y	Y	Y	*	Y	Y	Y
Berryhill	Y	Y	Y	Y	Y	Y	Y	N	Y
Biddle	Y	Y	Y	Y	Y	Y	Y	Y	Y
Bradley	Y	Y	*	*	*	Y	Y	Y	Y
Carpenter	*	Y	Y	*	Y	*	*	Y	*
Coombs	Y	Y	Y	*	Y	Y	Y	Y	*
Cusanovich	Y	*	*	*	*	*	*	*	*
Deukmejian	Y	N	Y	Y	Y	Y	Y	Y	Y
Grunsky	Y	N	Y	Y	Y	Y	Y	Y	Y
Harmer	*	Y	*	Y	*	*	*	Y	Y
Lagomarsino	*	Y	*	Y	Y	Y	Y	Y	Y
Marks	Y	N	*	Y	Y	Y	Y	Y	Y
Marler	Y	Y	*	Y	Y	Y	Y	N	*
Nejedly	Y	N	Y	Y	Y	N	Y	Y	*
Richardson	*	Y	*	*	*	*	*	*	*
Schrade	Y	N	Y	Y	*	Y	Y	Y	Y
Stevens	Y	N	Y	Y	*	Y	Y	Y	Y
Stull	-	-	-	Y	Y	Y	Y	*	Y
Way	Y	N	Y	Y	Y	Y	Y	Y	*
Whetmore	Y	*	Y	Y	Y	Y	Y	Y	Y

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deadlines, a deadline of January 30, 1974 for the passage of bills by the house of origin if they are to be carried over into the second year of the new two-year session, permitting a bill to be set for hearing only three times, and providing for eight legislative recesses during the two-year period. Adopted 30-0. Returned to Assembly for concurrence in amendments.

ASSEMBLY

March 2nd to 8th

AB 8 (Meade) — Reapportions Assembly districts. Motion to send bill back to committee defeated, 21-40. Bill placed on Inactive File.

AB 387 (Moretti) — Appropriates $10,999,250 to the Department of Education to replace federal funds for child care for 1972-73 fiscal year. Passed 70-0. To Senate.

March 9th to 15th

AB 278 (Lewis) — Authorizes school districts to pay expenses of school personnel, including teachers and chaperones, participating in a field trip or excursion, as well as any incidental expenses for the use of school equipment. Passed 55-9. To Senate.

AB 15 (Wood) — Makes it unlawful, with certain exceptions, to fly an airplane less than 1,000 feet above designated fish and game preserves. Passed 52-8. To Senate.

AB 50 (Fenton) — Enacts system of no-fault automobile insurance, providing for payment without regard to fault of personal injury protection benefits, including payment for loss of compensation, loss of services, funeral expenses, and survivor benefits up to $5,000 per person. Passed 41-31. To Senate.

March 16th to 20th

AB 57 (Gonsalves) — Eliminates requirement that relatives must support recipient of old-age security benefits, and provides that no relative shall be held legally liable to support a recipient of OAS benefits. Passed 65-7. To Senate.

AB 200 (Deddeh) — Prohibits discrimination on the bases of race, religion, national origin, ancestry, color, sex, or marital status in the issuance of property and liability insurance. Passed 73-0. To Senate.

AB 99 (Vasconcellos) — Repeals requirement that a teacher must consent to being assigned to a year-round school. Passed 67-4. To Senate.

March 23rd to 29th

AB 227 (Z'berg) — Enacts Z'berg Forest Practice Act of 1973, creating a comprehensive system of regulation for all timberlands. Provides for the adoption of permanent forest-practice rules and regulations. Requires eight-member State Board of Forestry to divide state into at least three forest districts and to adopt forest-practice rules for each district relative to timber operations, soil erosion, timber-growth preservation, watershed control, stocking, and flood control within nine months after effective date of act. Passed 50-23. To Senate.

AB 368 (Brown/Alatorre) — Prohibits schools from administering scholastic aptitude tests or using individual scores from tests to measure the scholastic aptitude of students. Permits such tests for higher-education placement, individual psychological evaluation, or group-research purposes under designated conditions. Passed 58-11. To Senate.

ASSEMBLY Republicans	AB 8 AB 387 AB 278 AB 15 AB 50	AB 57 AB 200 AB 99 AB 227 AB 368
Antonovich	Y*NYY	NYYNN
Arnett	YYYYN	YYYNY
Badham	Y*NN*	YYYNN
Bagley	YYYYN	YYY*N
Beverly	YYYYY	YYYYY
Bond	YYYYY	YYYNY
Briggs	YYY**	YYYYY
Burke	Y*N*Y	N**NN
Chappie	YY**N	YY*NY
Cline	*YYYN	NYYYN
Collier	*YNNY	NYYNN
Duffy	Y****	YYYN*
Hayden	YYYYN	YYYYY
Johnson, R.	*YY*N	*YYNN
Lancaster	YYYYY	YYYNN
Lanterman	YYY**	NYYNY
Lewis	NYYYY	YYYNY
MacGillivray	YYYNN	YYYNN
Maddy	*YYYY	YYYNY
Mobley	*YYNN	YYYN*
Monagan	**Y**	*****
Murphy	YYYYY	YYYNY
Nimmo	YYYYN	YYYNN
Priolo	*YYYN	YYYY*
Russell	YYNYN	NYYNY
Seeley	YYYNY	YYYN*
Stull	*Y---	-----
Wakefield	Y*NN*	NY*NN
Wood	YYYYN	YYYYY

Democrats	AB 8 AB 387 AB 278 AB 15 AB 50	AB 57 AB 200 AB 99 AB 227 AB 368
Alatorre	NYY*Y	YYYYY
Bee	**YYN	YYYNY
Berman	NYNYY	YYYYY
Boatwright	NYYYY	YYYYY
Brown	*Y*YN	YYYYY
Burton	*Y**Y	YYYYY
Chacon	NYYYN	YYYNY
Cory	NY*YN	***YY
Crown	NYYYY	YYYYY
Cullen	NYYNN	YYYY*
Davis	NY*NN	YYY**
Deddeh	NY*YN	YYYYY
Dixon	NYY*N	YYYYY
Dunlap	N*NYY	YYYYY
Fenton	NYYYN	YYYYY
Fong	*YYYN	YYYYY
Foran	YYYYY	YY*YY
Garcia	NYY*N	YYYYY
Gonsalves	NY**N	YY*YY
Gonzales	NYYYY	YYYYY
Greene, B.	NYYYY	YYYYY
Greene, L.	NY**N	YYYYY
Holoman	NYYYN	YYYYY
Ingalls	*YYYN	YYYYY
Johnson, H.	NYYYY	YY*YY
Kapiloff	NYYYY	YYYYY
Karabian	NYYYY	**YYY
Keene	NYYYY	YYYNY
Keysor	NYY*N	YYYYY
Knox	*YYYY	YYYYY
MacDonald	NYYYY	YYYYY
McAlister	NYYYY	YYYYY
McCarthy	NYYYY	YYYYY
Meade	NYYYY	YYYYY
Miller	*YY*Y	YY*YY
Montoya	NYNYN	YYYYY
Moretti	*YYYN	YYYYY
Papan	NYYYY	YYYYY
Powers	NYY*Y	YYYYY
Quimby	N*Y**	YYYYY
Ralph	*YYY*	YYY**
Sieroty	NY*YY	YYYYY
Thomas	NY*YN	YY*YY
Thurman	NYYYN	*YYYY
Townsend	N----	-----
Vasconcellos	NYYYN	YYYYY
Warren	NY*YN	YYYYY
Waxman	NY*YY	YYYYY
Wilson	NYYYN	YYYYY
Z'berg	*YYYY	YYYYY

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LETTER FROM WASHINGTON
By Lou Cannon

April 4, 1973

Candor and Waldie's candidacy

Washington is a city of unending receptions, and this reporter recently attended two on one night that could not have been more unlike.

One reception was at the Capitol Hill Club, the Republican social bastion that some members believe has recently diminished its standards by admitting secretaries and even a few Democrats. But it is still very plush. The 400 guests who came to dinner, or more precisely to a reception honoring Republican National Chairman George Bush, walked about carefully on the deep blue carpeting, munching roast beef and baloney, and talking softly about the Watergate bugging case and the high price of meat. The Capitol Hill Club had lowered its tone for the evening by inviting several Washington political reporters, one of whom complained that all the Republicans at the reception looked alike. It was an unwise complaint, since he is married to a Republican, but his observation made up in accuracy what it may have lacked in diplomacy.

A few blocks away, in the darkened side room of a low-budget capitol hill motel, another reception was under way. This one was described as a $100 "testimonial reception and buffet" honoring Representative Jerome R. Waldie "as he closes one chapter of his public service." Like the Bush reception, the Waldie testimonial welcomed reporters and served plenty of hard liquor. But all resemblances ended there. The 150 or so guests who attended the Waldie affair had to wade through a picket line of self-styled frog-lovers who were picketing Waldie for legislation he introduced in California a decade ago permitting the hunting of frogs by slingshot. It is an old gag in Sacramento, but it is relatively new in Washington, and the pickets' signs — "God help the frogs" and "Waldie repent" — drew plenty of laughs.

Once inside, the Waldie-ites were greeted by the fine folksinging of Peter Yarrow and by a buffet that one suggested had been catered by Joe Alioto or another prospective gubernatorial opponent. Olives, cold egg-rolls, and chicken (for which the adjective "rubber" would have been euphemistic) were the highlights. Waldie's press secretary, Mike Green, had courteously suggested to one reporter earlier in the day that he might do well to eat dinner before coming. That reporter didn't show up at all, and neither did most of the multitudious lobbyists who usually frequent Washington testimonials.

The lobbyists, some of whom bought tickets anyway, were perplexed by the ground rules of contributions to the testimonial, which Waldie announced would be reported to the California Secretary of State (for those specifically donating to Waldie's gubernatorial campaign) and to the clerk of the House (for everyone who bought a ticket). This is voluntary reporting beyond the scope of the federal election bill, which requires Washington testimonials to be reported only when they are held for a federal office. Historically, the Washington testimonial has been a safe haven that didn't have to be reported at all, and many political givers wanted to keep it that way. "The pitter patter of feet running away from this fund-raiser became thunderous," said Waldie staffer Bob Newman. "It was really rugged selling tickets." Waldie nonetheless managed to gross about $12,000 and net all but about $1,000 of this total. For a detailed report, tune in later to the clerk of the House.

This self-limiting candor is the chief selling point for Waldie, who has steadily drifted away from the Democratic Establishment during his nearly seven years in the House, particularly since his lonely challenge to Speaker John McCormack and the congressional seniority system in 1970. Waldie has a few close friends in the House, but he is something of a loner who is respected for his competence and independence by men who will never emulate him. The most independent California congressmen showed up at his party, including Republicans Pete McCloskey and John Rousselot, the latter introduced by the master of ceremonies, Representative Morris K. Udall, as coming "fresh from a meeting of the Young Americans for Freedom." The current House Speaker, Carl Albert, also dropped in, as did Democratic Senators Alan Cranston, John Tunney, and William Hathaway of Maine, plus a dozen assorted Democratic House members and aging prankster Dick Tuck. Tuck apologized for being late by saying he had to pay the pickets. Later in the evening, he passed around green frog-sticker labels, some of which said "God Help Jerry Waldie."

There is a widespread belief among Waldie's fellow Democrats here that it will indeed take divine intervention to make Waldie the Democratic gubernatorial nominee in 1974. Many of these same Democrats say in the next breath, however, that Waldie would make a first-rate governor.

The calculation of the nascent Waldie campaign is that in a four-man race (which presumes state Senator George Moscone dropping out), enough Democratic liberals would overcome their reservations about Waldie's chances to vote for a man they like. The name-recognition problem and the fund-raising difficulties appear monumental, but Waldie believes he can pull it off. "And if he makes it to November," said his old Republican legislative colleague, George Milias, at the Bush reception earlier, "Waldie would be the toughest Democrat to beat."

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Knowing exactly how much of the future can be introduced into the present is the secret of great government.

Victor Hugo

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